

THIS IS A CLAIMS-MADE AND REPORTED POLICY. SUBJECT TO ITS TERMS AND CONDITIONS, THIS POLICY ONLY COVERS **CLAIMS** FIRST MADE AGAINST THE **INSURED** DURING THE **POLICY PERIOD** OR **EXTENDED REPORTING PERIOD**, IF APPLICABLE, AND REPORTED TO THE COMPANY IN WRITING DURING THE **POLICY PERIOD**, BUT IN NO EVENT LATER THAN SIXTY (60) DAYS AFTER EXPIRATION OR TERMINATION OF THIS POLICY, OR DURING THE **EXTENDED REPORTING PERIOD**, IF APPLICABLE. **CLAIMS EXPENSES** ARE INCLUDED WITHIN, AND WILL REDUCE, THE LIMITS OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY, AND CONSULT WITH YOUR BROKER/AGENT OR OTHER PROFESSIONAL TO THE EXTENT YOU DO NOT UNDERSTAND ANY TERMS OR CONDITIONS OF THIS POLICY.

WORDS THAT APPEAR IN BOLD PRINT HAVE SPECIAL MEANINGS AND ARE DEFINED SEPARATELY. WHENEVER A SINGULAR FORM OF A WORD IS USED, THE SAME WILL INCLUDE THE PLURAL WHEN REQUIRED BY CONTEXT.

In consideration of the payment of the premium, and in reliance upon the **Application** which shall be the basis of this Policy and deemed to be incorporated herein, and subject to all the terms and conditions of this Policy, the Company and the **Insured** agree as follows:

**I. INSURING AGREEMENT**

The Company shall pay on behalf of the **Insured** all sums in excess of the Deductible set forth in Item 4 of the Declarations which the **Insured** shall become legally obligated to pay as **Damages** and **Claims Expenses** resulting from **Claims** first made against the **Insured** during the **Policy Period**, or **Extended Reporting Period**, if applicable, as a result of a **Wrongful Act** by an **Insured**, provided that:

- A.** The **Wrongful Act** was first committed on or after the **Retroactive Date** and before the expiration of the **Policy Period**;
- B.** No **Insured** gave notice to any prior insurer of such **Wrongful Act**;
- C.** The **Insured** reported such **Claim** in writing to the Company, as soon as practicable, during the **Policy Period**, but in no event later than sixty (60) days after expiration or termination of this Policy, or during the **Extended Reporting Period**, if applicable;
- D.** Prior to the Inception Date of this Policy, no **Insured** knew or could have reasonably foreseen that such **Wrongful Act** might give rise to a **Claim**; and
- E.** There is no other policy or policies which provide insurance for such **Wrongful Act**.

**II. EXTENSIONS OF COVERAGE**

Subject to all other terms and conditions of this Policy, the following Extensions of Coverage shall apply:

**A. Disciplinary Proceedings**

- 1. In addition to the Limit of Liability, the Company shall reimburse the **Insured** for reasonable and necessary attorney's fees and costs incurred in responding to a **Disciplinary Proceeding** first commenced against an **Insured**, during the **Policy Period**, but in no event later than sixty (60) days after expiration or termination of this Policy,.
- 2. The maximum payment by the Company pursuant to this Section **II. A. Extensions of**

**Coverage**, shall be \$10,000 for each **Agent** solely in connection with **Professional Services** rendered by such **Agent**, regardless of the number of **Disciplinary Proceedings**.

3. Pursuant to this Section **II. A. Extensions of Coverage**:

- a. No payments made by the Company shall apply to the Deductible; and
- b. The Company shall not pay any amount until the conclusion of the **Disciplinary Proceeding** and only if such **Disciplinary Proceeding** has not resulted in the suspension or revocation of the **Insured's** license.

**B. Subpoena Compliance**

1. In addition to the Limit of Liability, the Company shall pay reasonable attorney's fees and costs, subject to Section **VI. Defense, Consent, and Settlement**, in connection with the receipt of a subpoena by the **Insured** during the **Policy Period**, for document production or representation in giving sworn testimony related to **Professional Services**, which is issued in connection with a lawsuit which the **Insured** is not a party.
2. The maximum payment by the Company pursuant to this Section **II. B. Extensions of Coverage**, shall be \$10,000 for each **Agent** solely in connection with **Professional Services** rendered by such **Agent**, regardless of the number of subpoenas.
3. Pursuant to this Section **II. B. Extensions of Coverage**, no payments made by the Company shall apply to the Deductibles.

**C. Privacy Breach**

1. The Company shall pay a **Privacy Breach** Sublimit of Liability on behalf of the **Insured** for all sums which the **Insured** shall become legally obligated to pay as **Damages** and **Claims Expenses** resulting from **Claims** first made against an **Insured** during the **Policy Period**, or **Extended Reporting Period**, if applicable, as a result of a **Privacy Breach**, arising solely from the rendering of or failure to render **Professional Services**, provided that such **Professional Services** were rendered or failed to be rendered on or after the **Retroactive Date** and before the expiration of the **Policy Period**.
2. The maximum payment by the Company pursuant to this Section **II. C. Extensions of Coverage**, for each **Agent** solely in connection with **Professional Services** rendered by such **Agent**, shall be \$25,000 per **Agent**.
3. Pursuant to this Section **II. C. Extensions of Coverage**:
  - a. A \$5,000 Deductible shall apply to each **Claim**; and
  - b. The **Privacy Breach** Sublimit of Liability shall be part of and not in addition to the Limits of Liability set forth in Item 3. of the Declarations of this Policy.

### **III. DEFINITIONS**

**A. Agent** means an individual who:

1. Maintains an Agent or General Agent contract with the **Sponsoring Company**; has elected to enroll for coverage under this Policy; and whose enrollment is on file with the **Sponsoring Company**;
2. Has paid his or her premium; and
3. Is properly licensed by the appropriate authority to solicit, sell and service life, accident or health insurance products.

- B. Application** means all signed applications, including attachments and other materials submitted therewith or referenced or incorporated therein, submitted by or on behalf of the **Insured** to the Company for this Policy or for any policy of which this Policy is a direct or indirect renewal or replacement. All such applications, attachments and materials are deemed attached to, incorporated into and made a part of this Policy.
- C. Broker-Dealer** shall have the same meaning as the term used by the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, as amended.
- D. Claim** means a demand for money or services received by an **Insured** alleging a **Wrongful Act**. **Claim** does not include a demand for non-monetary or injunctive relief or any criminal proceeding.
- E. Claims Expenses** means reasonable and necessary fees, costs and expenses incurred by the Company, or by the **Insured** with the prior written consent of the Company, consisting of fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, including the cost of appeal bonds, however, the Company shall not be obligated to apply for or furnish appeal bonds. **Claims Expenses** do not include salary charges, wages or expenses of partners, principals, officers, directors, members or employees of the **Insured** or the Company.
- F. Controlling Interest** means the right of an **Insured** or a member of an **Insured's Immediate Family**, directly or indirectly, to:
1. own 10% or more of an interest in an entity;
  2. vote 10% or more of the issued and outstanding voting stock in an incorporated entity;
  3. elect 10% or more of the directors of an incorporated entity;
  4. receive 10% or more of the profits of an unincorporated entity; or
  5. act as general partner of a limited partnership, managing general partner of a general partnership, or comparable position in any other business enterprise.
- G. Damages** means a compensatory monetary amount for which an **Insured** may be held legally liable, including judgments, awards, or settlements negotiated with the prior approval of the Company, provided that **Damages** shall not include:
1. Any disgorgement, return, withdrawal, restitution or reduction of any sums or fees, including any sums or fees which are or were in the possession or control of any **Insured**;
  2. Any amounts credited to any **Insured's** account;
  3. Fines, sanctions, taxes, penalties or awards deemed uninsurable pursuant to any applicable law;
  4. Punitive, exemplary, treble damages or any other damages resulting from the multiplication of compensatory damages;
  5. Equitable relief, or fees, costs or expenses incurred by an **Insured** to comply with any such equitable relief;
  6. Any amounts constituting a waiver of fees, charges, costs or any other monetary amounts the **Sponsoring Company** is contractually entitled to impose upon a client or customer;

7. The collection, payment or return of, or the failure to collect, pay or return, any commission, fee, tax, funds, premium or claim monies;
  8. Any disputes involving an **Insured's** client lists, or non-compete or similar agreements;
  9. Any disputes involving an **Insured's** commissions, fees, charges, entitlements or other compensation;
  10. Amounts which are uninsurable under applicable law; or
  11. Amounts which the Company are not legally obligated to pay.
- H. Disciplinary Proceeding** means any proceeding commenced by a regulatory or disciplinary official, board or agency with the authority to regulate **Professional Services**, and whose obligation is to investigate charges of professional misconduct arising solely from the rendering of or failure to render **Professional Services**.
- I. Extended Reporting Period** means the applicable period of time after the expiration or termination of the **Policy Period** for reporting **Claims** arising out of **Wrongful Acts** committed prior to the expiration of the **Policy Period** and on or subsequent to the **Retroactive Date**, and otherwise covered by this Policy.
- J. Immediate Family** means:
1. the **Insured**; or
  2. the **Insured's**:
    - a. spouse;
    - b. parent(s), adoptive parent(s) or step-parent(s);
    - c. sibling(s) or step-sibling(s); or
    - d. child(ren), adoptive child(ren) or step-child(ren).
- K. Insured** means:
1. An **Agent**;
  2. An entity owned and controlled by an **Agent**, but solely in connection with **Professional Services** provided by the **Agent**;
  3. An employee of an **Agent** acting in his or her capacity as such on behalf of such **Agent**, but solely if the employee is not otherwise contracted as an agent with the **Sponsoring Company** or another insurer and solely in connection with **Professional Services** provided by such **Agent**;
  4. The legal heir, executor, administrator or legal representative of an **Agent** in the event of such **Agent's** death, incapacity or bankruptcy;
  5. The lawful spouse or domestic partner of any individual which qualifies as an **Insured** under Subsections 1., 3., or 4., above, for a **Claim** arising solely out of spousal or domestic partner status, and not out of any alleged independent **Wrongful Acts**, of such individual; or
  6. The **Sponsoring Company**, if the only allegation against it is for vicarious liability based upon the **Wrongful Acts** of an **Agent**. The **Sponsoring Company** shall not be

an **Insured** if there is any allegation of a wrongful act committed by the **Sponsoring Company**, regardless of whether the **Sponsoring Company** is also alleged to be vicariously liable for the **Wrongful Acts** of an **Agent**.

- L. **Interrelated Wrongful Acts** means **Wrongful Acts** that are temporally, logically or causally connected by any common nexus of any fact, circumstance, situation, or event, or which are the same, related or continuous acts, regardless of whether the **Claim** or **Claims** alleging such acts involve the same or different claimants, **Insureds** or legal causes of action including, but not limited to, any insurance products of any entity which becomes the subject of any bankruptcy, insolvency, liquidation or reorganization proceeding.
- M. **Personal Information** means an individual's identity with any one or more of the following: social security number; medical or healthcare data, or other protected health information; drivers license number or state identification number; credit card number or debit card number in combination with any required security code, access code or password that would permit access to that individual's financial account, or other nonpublic **Personal Information** as defined in a **Privacy Regulation**.
- N. **Personal Injury** means false arrest, detention or imprisonment, or malicious prosecution; libel, slander, oral or written publication of defamatory or disparaging material; wrongful entry or eviction; or invasion of the right of private occupancy.
- O. **Policy Period** means the period of time set forth in Item 2 of the Declarations or any shorter period that may occur as a result of a termination in accordance with Section **VIII. G. GENERAL CONDITIONS**.
- P. **Privacy Breach** means a violation of a **Privacy Regulation** or right of privacy, arising solely from the rendering of or failure to render **Professional Services**.
- Q. **Privacy Regulation** means any statute or regulation associated with the control, use, disclosure and/or dissemination of personally identifiable financial, medical or other sensitive information, including identity theft and privacy protection legislation that requires commercial entities that collect **Personal Information** to post privacy policies, adopt specific privacy controls, or notify individuals in the event that **Personal Information** has potentially been compromised.
- R. **Professional Services** means the solicitation, sale or servicing of life, health, disability, long-term care insurance, or fixed annuities.
- S. **Retroactive Date** means the inception date of the **Agent's** first claims-made life insurance agents professional liability policy from which coverage has been maintained in force without interruption.
- T. **Securities** shall have the same meaning as the term used by the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, or the Investment Advisors Act of 1940, as amended.
- U. **Sponsoring Company** means the entity set forth in Item 1 of the Declarations.
- V. **Wrongful Act** means any actual or alleged negligent act, error or omission committed by an **Insured**, including any **Personal Injury** or **Wrongful Supervision**, arising solely from the performance of **Professional Services** for others, or **Wrongful Termination**.
- W. **Wrongful Supervision** means any actual or alleged negligent act, error or omission by an **Insured** manager of an agency arising out of the supervision and/or training of an **Agent**, arising solely from the performance of **Professional Services** by the **Agent**.

- X. **Wrongful Termination** means any act, error or omission (except for alleged discrimination as defined by federal, state or local statute, regulation, law or ordinance) arising out of the termination of an agency contract between an **Insured** manager of an agency and an **Agent**.

## IV. **EXCLUSIONS**

This Policy does not apply to any **Claim** based upon, arising out of, directly or indirectly, in whole or in part, or in any way involving:

- A. Any intentional wrongdoing, fraud, dishonesty, or malicious **Wrongful Acts** by an **Insured**, if a judgment or other final adjudication adverse to the **Insured** establishes such conduct, or if the **Insured** admits to such conduct. The Company shall continue to defend the **Insured**, if these allegations arise out of **Wrongful Acts** otherwise covered under this Policy, but the **Insured** shall reimburse the Company for **Claims Expenses** if such conduct is established as a matter of fact in a civil, arbitration, criminal or other proceeding, or is admitted to by an **Insured**.
- B. Any **Claim** brought or maintained, directly or indirectly, by or on behalf of any:
1. **Insured**; provided that this Exclusion shall not apply to any alleged **Wrongful Termination**;
  2. Company or **Broker-Dealer**;
  3. Insurance agent or broker;
  4. Entity that is not a client of an **Insured**; provided that this Exclusion shall not apply to any **Claim** brought by an entity who is a beneficiary, heir, executor, conservator, or administrator of a deceased client of an **Insured**, and it shall further not apply to any alleged **Wrongful Termination**;
  5. Entity:
    - a. Wherein the **Insured** has a **Controlling Interest**;
    - b. In which the **Insured** is:
      - i. An officer;
      - ii. A director; or
      - iii. A partner; or
    - c. Which wholly or partly owns, operates, or manages the **Insured**;
  6. Governmental or quasi-governmental entity, or Self-Regulatory Organization including, but not limited to, any state or federal insurance or securities commission or agency, or the Financial Industry Regulatory Authority or the Securities and Exchange Commission; provided that this Exclusion shall not apply to a **Claim** brought by or on behalf of such entity in its capacity as a client of an **Insured** and does not limit the availability of coverage pursuant to Section II. **A. EXTENSIONS OF COVERAGE**.
- C. Any fact, circumstance, situation, transaction, event or **Wrongful Act** that, before the Inception Date set forth in Item 2.(A) of the Declarations, was the subject of any notice given under any insurance policy issued by any insurer or any policy of which this Policy is a direct or indirect renewal or replacement.
- D. Any **Claim**, demand, suit, litigation or other proceeding pending against, or order, decree or judgment entered for or against any **Insured** which was pending on or existed prior to the Inception Date set forth in Item 2.(A) of the Declarations, or the same or substantially the same facts, circumstances, situation or allegations underlying or alleged therein.

- E.** Any actual or alleged services as an accountant, tax preparer or advisor, actuary, architect, engineer, lawyer, real estate agent or broker, property or casualty insurance agent, title insurance agent, or third-party claims administrator.
- F.** Any actual or alleged placement of a client's coverage or funds directly or indirectly with any entity which is not licensed to conduct business in the state or jurisdiction with authority to regulate such business; provided that this Exclusion shall not apply to the placement of a client's coverage or funds directly or indirectly with an eligible surplus lines insurer in the state or jurisdiction with authority to regulate such business.
- G.** Any actual or alleged ownership, formation, sale, servicing, operation, or administration of claims for any insurance company, health maintenance organization, preferred provider organization, captive, risk retention group, self-insurance group/program, purchasing group, Professional Employer Organization (PEO), or any pool, syndicate, association or other similar group combination formed for the purpose of providing insurance or benefits.
- H.** Any actual or alleged sale, servicing, or administration of, or advice or planning with respect to, any Multiple Employer Welfare Arrangement
- I.** Any pension, profit sharing, health, welfare or other employee benefit plan, insurance plan or trust, organized for the benefit of employees of any **Insured**.
- J.** Any financial inability or refusal to pay, insolvency, receivership, conservatorship, bankruptcy, or liquidation of any entity in which an **Insured** has placed or recommended to be placed, coverage or the funds of a client; provided that this Exclusion shall not apply to any insurer that was rated A- or better by A.M. Best at the time the **Insured** has placed or recommended to be placed such coverage or funds.
- K.** Any actual or alleged liability of others assumed by an **Insured** under any written or oral contract or agreement, provided that this Exclusion shall not apply to the extent that the **Insured** would have been liable in the absence of such contract or agreement.
- L.** The **Insured** making representations, promises or guarantees as to the future value of any investment including but not limited to, representations, promises or guarantees as to interest rates, fluctuation in interest rates, future premium payments or market value(s).
- M.** Any actual or alleged gaining of personal profit or advantage to which an **Insured** is not legally entitled.
- N.** Any disputes involving an **Insured's** commissions, fees, charges, entitlements or other compensation.
- O.** Any actual or alleged commingling, conversion, misappropriation, or defalcation of any funds by any **Insured**.
- P.** Any actual or alleged willful violation of the rules or regulations of the Financial Industry Regulatory Authority, Securities and Exchange Commission, Securities Act of 1933, Securities Exchange Act of 1934, Investment Company Act of 1940, or the Investment Advisors Act of 1940, and any amendments thereto, or of any state securities statute or state regulatory agency.
- Q.** Any **Securities**.
- R.** Any insurance or financial product owned in whole or in part by an **Insured**.
- S.** Any structured settlements; provided that this Exclusion shall not apply to an underlying covered product.

- T. Any promissory notes, commodities, futures contracts, or option contracts.
- U. Any viatical or life settlements, reverse mortgages, or any similar product in which the present value of a condition contract is exchanged or sold.
- V. Any "Stranger Originated Life Insurance (STOLI)" or "Speculator Initiated Life Insurance (SPINLIFE)" or any other type of policies where the purchaser of the life product does not have an insurable interest in the **Insured** under such life product.
- W. Any accident and/or health insurance products sold into or part of an IRS Section 412(i) and/or 419 plan or the tax status or lack of eligibility relative to any IRS or other governmental ruling concerning IRS Section 412(i) or 419 plans.
- X. Any bodily injury, including sickness, injury, disease or death of any person; or injury to or destruction of any tangible property, including loss of use thereof.
- Y. Any actual or alleged discrimination, harassment, or misconduct:
  - 1. By an **Insured** because of race, creed, color, age, gender, sex, sexual preference or orientation, national origin, religion, disability, handicap, marital status, or any other class protected under federal, state, local or other law; or
  - 2. By an employee, former employee, or job applicant of an **Insured** in their capacity as such.
- Z. Any actual or alleged infringement of copyright; plagiarism, piracy or misappropriation of ideas; or infringement of title, slogan, trademark, trade name, trade dress, service mark or service name; or any patent or trade secret; or any unfair competition, deceptive advertising, anticompetitive acts, restraint of trade, price fixing, or antitrust.
- AA. Any allegation of a pattern or practice of wrongful act or conduct by the **Sponsoring Company** including, but not limited to, any class action allegation.
- BB. Any actual or alleged violation of:
  - 1. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
  - 2. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
  - 3. Any statute, ordinance or regulation other than the TCPA or CAN-SPAM Act of 2003 that prohibits or limits the sending, transmitting, communicating, or distribution of material or information.
- CC. Any notary services performed in the absence of the physical presence of the person whose signature is notarized.
- DD. Any actual or alleged design of any employee benefit plan.

## V. **REPORTING AND NOTICE**

### A. **Reporting of Actual Claims**

In the event of a **Claim**, the **Insured** shall, as a condition precedent to exercising any right to coverage afforded by this Policy, forward to the Company, as soon as practicable, every demand, notice, summons and/or pleading received by such **Insured**, but in no event later than sixty (60) days after expiration or termination of this Policy, or during the **Extended Reporting Period**, if applicable.



## B. Reporting of Potential Claims

If, during the **Policy Period** an **Insured** first becomes aware of a **Wrongful Act** which might reasonably be expected to give rise to a **Claim**, and during the **Policy Period** gives written notice to the Company of such **Wrongful Act** as required below, then any **Claim** subsequently made against the **Insured** arising from such **Wrongful Act** or **Interrelated Wrongful Act** shall be deemed to have been first made during the **Policy Period**.

## C. Reporting Requirements of Actual and Potential Claims

Written report of a **Claim** and a potential **Claim** must include:

1. The specific facts and circumstances which constitute the **Wrongful Act**, including the date(s) thereof, and the **Insured** and clients involved;
2. The date and circumstances by which the **Insured** became aware of such **Wrongful Act**; and
3. The **Damages** that may reasonably result therefrom.

## D. Notice

1. In the event of a **Claim** or a potential **Claim**, notice shall be sent to the address set forth in Item 9 of the Declarations.
2. All correspondence should make reference to the Policy number set forth in the Declarations of this Policy. (All other notices under this Policy shall be sent to the address set forth in Item 9 of the Declarations, but to the attention of the Professional Liability Department.
3. If notices are mailed, the date of mailing of such notice shall constitute the date such notice was given and proof of mailing shall be sufficient proof of notice.

## VI. DEFENSE, CONSENT, AND SETTLEMENT

- A. The Company has the sole right to appoint defense counsel and the right and duty to defend any **Claim** covered by this Policy, made against an **Insured**, as set forth in Section III. K. 1., 2., 3., 4. and 5. **DEFINITIONS**, provided that with respect to the **Sponsoring Company**, the Company shall have no duty to appoint defense counsel, no duty to defend and no obligation to pay **Claims Expenses**, unless the sole allegation made against the **Sponsoring Company** is based upon its alleged vicarious liability for the **Wrongful Acts** of an **Agent**.
- B. The Company may make any investigation it deems necessary and may, with the consent of the **Insured**, make any settlement of any **Claim** it deems expedient.
- C. As a condition precedent to exercising any right to coverage afforded by this Policy, the **Insured** agrees not to settle or offer to settle any **Claim**, incur any **Claims Expenses** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's prior written consent. The Company shall not be liable for any element of **Damages** incurred, for any obligation assumed, or for any admission made, by any **Insured** without the Company's prior written consent.
- D. The **Insured** must take all reasonable actions within its ability to prevent or mitigate any **Claim** which would be covered under this Policy.

- E.** If the **Insured** refuses to consent to a settlement acceptable to the claimant that the Company recommends, then, subject to the Limit of Liability set forth in the Declarations, the Company's liability for such **Claim** shall not exceed the amount for which such **Claim** could have been settled, plus **Claims Expenses** incurred up to the date the **Insured** refused to consent to the settlement, and the Company shall have the right to withdraw from the further defense of such **Claim** by tendering control of the defense thereof to the **Insured**.
- F.** The **Insured** shall provide the Company with such cooperation, assistance and information as the Company may request, all without charge to the Company.

## **VII. TERRITORY**

This Policy applies to **Wrongful Acts** committed by an **Insured** anywhere in the world, provided that any **Claim** made as a result of such **Wrongful Acts** must be brought and held against the **Insured** in the United States of America, its territories or possessions.

## **VIII. GENERAL CONDITIONS**

### **A. Limits of Liability, Deductible, and Claims First Made**

#### **1. Limits of Liability**

- a. The Company's maximum liability for all **Damages** and **Claims Expenses** resulting from each **Claim** arising from a **Wrongful Act** or **Interrelated Wrongful Acts** shall be the Limits of Liability for Each **Claim** set forth in the Declarations.
- b. The Company's maximum aggregate Limits of Liability for all **Damages** and **Claims Expenses** resulting from all **Claims** made against any one **Agent** covered by this Policy shall be the **Agent Aggregate** set forth the Declarations.
- c. The Company's maximum aggregate Limits of Liability for all **Damages** and **Claims Expenses** resulting from all **Claims** covered by this Policy shall be the Maximum Policy Aggregate set forth in the Declarations.
- d. The Limits of Liability of the Company for any **Extended Reporting Period** shall be part of, and not in addition to, the Limits of Liability of the Company for the **Policy Period**.
- e. The Company shall have no obligation to pay **Damages**, including **Claims Expenses**, or to defend or continue to defend any **Claim** after the Company's applicable Limit of Liability with respect to such **Claim** has been exhausted. If the Company's Limit of Liability set forth in the Declarations is exhausted prior to the expiration of this Policy, the Policy premium will be deemed fully earned.

#### **2. Deductible**

The Company shall only be liable for **Damages** and **Claims Expenses** which are in excess of the Deductible(s) set forth in Item 4 of the Declarations. The Deductible(s) shall apply separately to each **Claim** and shall be borne by the **Insured** and remain uninsured. For purposes of the Deductible(s), **Claims** arising out of one **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as arising out of one **Wrongful Act**, and only one Deductible amount shall apply thereto. The Deductible shall not reduce or increase the Limits of Liability.

#### **3. Claims First Made**

All **Claims** arising out of the same **Wrongful Act** or **Interrelated Wrongful Acts** shall

be deemed one **Claim**, and such **Claim** shall be deemed to be first made on the earliest date that:

- a. Any of the **Claims** were first made, regardless of whether this Policy was in effect at the time; or
- b. Notice was given by the **Insured** under this Policy or any prior policy of any **Wrongful Act** or **Interrelated Wrongful Act** which underlies such **Claim**.

## B. Extended Reporting Periods

### 1. Group Extended Reporting Period

- a. Automatic **Extended Reporting Period**.
  - (i) An Automatic **Extended Reporting Period** is provided without additional charge. This period starts at the date of the Policy termination or the expiration of the **Policy Period**, whichever is earlier, and lasts for sixty (60) days.
  - (ii) The Automatic **Extended Reporting Period** applies to **Claims** arising out of a **Wrongful Act** that was committed during the **Policy Period** or after the **Retroactive Date**, if any, as set forth in the Declarations, and which are first made against the **Agent** during the **Policy Period** or within sixty (60) days after Policy termination or expiration of the **Policy Period**, whichever is earlier, and reported to the Company, in writing, within sixty (60) days after Policy termination or the expiration of the **Policy Period**, whichever is earlier.

This Automatic Extended Reporting Period shall not be available if the **Insured** has any other applicable insurance, including any policy issued subsequent to this Policy. This Automatic Extended Reporting Period shall be included within the Optional Extended Reporting Period described in paragraph B.1.b. and B.2, below, if such Optional Extended Reporting Period is purchased.

- b. Optional Extended Reporting Period.

In the event of cancellation or non-renewal of this Policy by the Company, for reasons other than non-payment of premium, the **Sponsoring Company** may elect to purchase, on behalf of all **Agents**, for an additional premium as set forth in Item 7 of the Declarations, an Optional **Extended Reporting Period** for a period of three (3) years after the date of such cancellation or non-renewal to report to the Company any **Claim** which is first made during said three (3) year period and which arises out of a **Wrongful Act** committed prior to cancellation or non-renewal and on or after the **Retroactive Date**.

- c. The right to purchase the Optional **Extended Reporting Period** must be exercised by notice in writing not later than sixty (60) days following the non-renewal or cancellation date of this Policy, and must include payment of premium for the applicable Optional **Extended Reporting Period**, as well as payment of all premiums due the Company. If such notice is not so given to the Company, the **Sponsoring Company** shall not be entitled to exercise such right at a later date.

### 2. Individual Agent Extended Reporting Period

- a. Automatic **Extended Reporting Period** Due to Termination of **Agent** Contract.

(i) Termination of Agent for Non-disciplinary Reasons. If, during the **Policy Period**, the **Sponsoring Company** terminates an **Agent's** contract for non-disciplinary reasons, coverage for such **Agent** shall cease as of the date of such termination.

(a) With respect to all covered products, the **Agent** shall have a period of sixty (60) days after the expiration of the **Policy Period** to report to the Company any **Claim** which is first made during this sixty (60) day period and which arises from a **Wrongful Act** committed on or after the **Retroactive Date** and prior to the expiration of the **Policy Period**.

(b) With respect to any products issued by the **Sponsoring Company**, the **Agent** shall have a period of one (1) year after the expiration of the **Policy Period** to report to the Company any **Claim** which is first made during this one (1) year period and which arises from a **Wrongful Act** committed on or after the **Retroactive Date** and prior to the expiration of the **Policy Period**.

(ii) Termination of Agent for Disciplinary Reasons. If the **Agent** is terminated for disciplinary reasons, coverage for such **Agent** shall cease upon the date of such termination, and the **Agent** shall not be entitled to any Automatic **Extended Reporting Period**.

b. Automatic **Extended Reporting Period** Due to Disablement, Retirement, or Death.

If, during the **Policy Period**, an **Agent** retires or becomes disabled or deceased, coverage for such **Agent** shall cease as of the date of such disability or death, provided that the **Agent** or his/her legal representative shall have a period of two (2) years after the date of such disability or death to report to the Company any **Claim** which is first made during this two (2) year period and which arises out of a **Wrongful Act** committed prior to such disability or death and on or after the **Retroactive Date**.

c. Optional **Extended Reporting Period**.

If, during the **Policy Period**, an **Agent** retires or becomes disabled or deceased, the **Agent** or its legal representative may elect to purchase, for an additional premium as set forth in Item 7 of the Declarations, an Optional **Extended Reporting Period** for a period of (3) years, five (5) years, or for an unlimited amount of time, to report to the Company any **Claim** which is first made during the applicable period and which arises out of a **Wrongful Act** committed prior to such retirement, disability or death and on or after the **Retroactive Date**.

### 3. Extended Reporting Periods – Other Terms and Conditions

- a. Automatic **Extended Reporting Periods** shall not apply to any **Agent** that has any other applicable insurance.
- b. At the commencement of any Optional **Extended Reporting Period**, the entire premium thereafter shall be deemed earned.
- c. The fact that this Policy may be extended by virtue of an **Extended Reporting Period** shall not in any way increase the Limits of Liability set forth in Item 3 of the Declarations.

#### C. Subrogation

In the event of any payment under this Policy, the Company shall be subrogated to all of the **Insured's** rights of recovery against any person or organization, and the **Insured** shall execute and deliver instruments and papers required, and shall do everything necessary to preserve and secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit or otherwise pursue subrogation rights in the name of the **Insured**. The **Insured** shall do nothing to prejudice such rights.

Any amount so recovered shall be apportioned as follows: Any recovery shall first be used for the repayment of expenses incurred toward subrogation; second, to any **Claims Expenses** and/or **Damages** paid by the **Insured** in excess of any deductible; third, to any claims expenses and/or damages payments by an excess carrier on behalf of the **Insured**; fourth, to any claims expenses and/or damages payments by any primary carrier on behalf of the **Insured**; and last, to repayment of the **Insured's** deductible.

#### D. Changes in Exposure

If during the **Policy Period**, the **Sponsoring Company** consolidates with, or merges into, or sells all or substantially all of its assets to any other entity; or if the **Sponsoring Company** acquires a controlling ownership interest in any other entity; or if another entity acquires a controlling ownership interest in the **Sponsoring Company**, then this Policy shall continue in full force and effect as to **Wrongful Acts** committed prior to the effective date of such event. The **Sponsoring Company** shall give the Company written notice of any such event as soon as practicable prior to the effective date of such event, and the Company in its sole discretion may determine whether any other terms and/or conditions shall apply.

If an entity ceases to be a subsidiary of the **Sponsoring Company**, coverage with respect to such subsidiary shall continue until the termination of the Policy, but only with respect to **Wrongful Acts** committed prior to the date the entity ceased being a subsidiary.

#### E. Allocation

If a **Claim** includes both covered and uncovered allegations, or gives rise to both covered **Damages** and uncovered damages, the **Insured** and the Company shall use their best efforts to allocate **Claim Expenses** and **Damages** between covered and uncovered matters. If no agreement can be reached between the Company and the **Insured**, the Company shall pay **Claims Expenses** which it reasonably believes to be covered under this Policy until a different allocation is negotiated or determined. Any negotiated or determined allocation of **Claims Expenses** in connection with a **Claim** shall be applied retroactively, notwithstanding any allocation applied with respect to any prior advancement. Any allocation or advancement of **Claims Expenses** in connection with a **Claim** shall not apply to or create any presumption with respect to any other allocation.

#### F. Reimbursement of the Company

If the Company has paid any **Damages** and/or **Claims Expenses** in excess of the applicable Limits of Liability, within the amount of the applicable Deductible or subject to the right to seek repayment, the **Insured** shall be liable to the Company for any and all such amounts and, upon demand, shall pay such amounts to the Company promptly. If it is negotiated or determined that any **Damages** or **Claims Expenses** are not covered under this Policy, the **Insured** agrees to repay the Company the amount of such **Damages** or **Claims Expenses** not covered.

#### G. Termination

This Policy shall terminate at the earliest of the following event:

1. Upon the Expiration Date of the **Policy Period** set forth in Item 2 of the Declarations, or the

effective date of cancellation, if earlier;

2. Ten (10) days after receipt by the **Sponsoring Company** of a written notice of cancellation from the Company for failure to pay a premium due; or
3. As to an **Agent**, upon termination of an **Agent** contract.

## H. Cancellation

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or ten (10) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

## I. Sponsoring Company - Sole Agent

The **Sponsoring Company** shall be the sole agent of all **Insureds** hereunder for the:

1. Purpose of effecting or accepting any amendments to or cancellation of this Policy;
2. Purpose of receiving such notices as may be required by law and/or any provision(s) of this Policy;
3. Completing of any **Application** and the making of any representations;
4. Payment of any premium and the receipt of any return premium that may become due under this Policy;
5. Payment of any Deductible obligation; and
6. The exercising or declining to exercise any right under this Policy, including declining or exercising any **Extended Reporting Period**.

## J. Alteration and Assignment

No change in, modification of, or assignment of, interest under this Policy shall be effective except when made by written endorsement signed by an authorized representative of the Company.

## K. Action Against the Company

No action shall be taken against the Company unless, as a condition precedent thereto, the **Insured** has fully complied with all the terms and conditions of this Policy. In addition, no action shall be taken against the Company until the amount of any **Insured's** obligation or liability to a third party has been finally determined by an award or judgment against any **Insured** in an actual adjudicatory proceeding.

No person or entity shall have any right under this Policy to join any **Insured** in any action or proceeding against the Company to determine the Company's liability nor shall the Company be

impleaded in an action or proceeding by any **Insured** or its legal representative.

No person or entity shall have any right under this Policy to join the Company as a party to any action against any **Insured** to determine such **Insured's** liability.

## **L. Dispute Resolution Process**

In the event a dispute arises out of this Policy, the Company and the **Insured** shall participate in a non-binding mediation. The parties shall share costs, but bear their own legal fees and expenses. Either the Company or the **Insured** may commence a judicial proceeding or binding arbitration proceeding after ninety (90) days has passed from the termination of the mediation, provided that in the event that both the Company and the **Insured** commence either a judicial proceeding or binding arbitration, the party commencing first shall be entitled to have its proceeding take precedence over the party not filing first, and such party not filing first shall withdraw its judicial or binding arbitration proceeding until such time the proceeding filed by the party filing first has received a final determination. In the event of a binding arbitration, such proceeding shall be pursuant to such rules and procedures as the parties may agree. If the parties cannot agree, the arbitration shall be administered by the American Arbitration Association in accordance with its then prevailing Commercial Arbitration Rules. The arbitration panel shall consist of one arbitrator selected by the **Insured**, one selected by the Company, and the third independent arbitrator selected by the two party-appointed arbitrators. In any such arbitration, each party will bear its own legal fees and expenses. The arbitration or any court proceeding shall take place in New York, New York and New York law shall apply, without application of any applicable conflict of law analysis.

## **M. Changes**

Notices to any **Agent** shall not effect a waiver or a change in any part of this Policy or prevent the Company from asserting any rights under the terms of this Policy, nor shall the terms of this Policy be waived or changed, unless endorsed hereon.

## **N. Entire Agreement**

It is agreed that this Policy, together with the Declarations, endorsements and the **Application** as of the Inception date of this Policy, constitute the entire agreement existing between the Company and the **Insureds**.

## **O. Titles**

The titles of paragraph, sections or any endorsements to this Policy are intended solely for convenience and reference, and are not deemed in any way to modify the provisions to which they relate.

**SPECIMEN**



**ASPEN**

**Aspen American Insurance Company**

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President and Secretary and countersigned where required by law on the Declarations page by its duly Authorized Representative.

\_\_\_\_\_

Secretary

\_\_\_\_\_

President





**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**BICE COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium paid, it is agreed that **Section IV. EXCLUSIONS, Subsection K.** is hereby deleted in its entirety and replaced with the following:

- K.** Any actual or alleged liability of others assumed by an **Insured** under any written or oral contract or agreement, provided that this Exclusion shall not apply to the extent that the **Insured** would have been liable in the absence of such contract or agreement. The coverage provided by this Endorsement includes, but is not limited to, liability resulting from the US Department of Labor's Rules regarding Best Interest Contracts including, but not limited to, DOL Section DOL 84-24.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER:

Issued by: Aspen American Insurance Company

Issued to: AmeriLife Holdings, LLC

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION A AMENDMENT ENDORSEMENT - SEVERABILITY**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that **SECTION IV. EXCLUSIONS, Subsection A.** is hereby deleted in its entirety and replaced with the following:

- A.** Any intentional wrongdoing, fraud, dishonesty, or malicious **Wrongful Acts** by an **Insured**, if a judgment or other final adjudication adverse to the **Insured** establishes such conduct, or if the **Insured** admits to such conduct. The Company shall continue to defend the **Insured**, if these allegations arise out of **Wrongful Acts** otherwise covered under this Policy, but the **Insured** shall reimburse the Company for **Claims Expenses** if such conduct is established as a matter of fact in a civil, arbitration, criminal or other proceeding, or is admitted to by an **Insured**. The facts pertaining to and knowledge possessed by any natural person **Insured** shall not be imputed to any other natural person **Insured**.

Only facts pertaining to and knowledge possessed by any executive officer shall be imputed to an **Insured** entity.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER:

Issued by: Aspen American Insurance Company

Issued to: AmeriLife Holdings, LLC

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**INSOLVENCY EXCLUSION COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. **SECTION IV. EXCLUSIONS, Subsection J.** is hereby deleted in its entirety and replaced by:

J. Any financial inability or refusal to pay, insolvency, receivership, conservatorship, bankruptcy, or liquidation of any entity in which an **Insured** has placed or recommended to be placed, coverage or the funds of a client; provided that this Exclusion shall not apply to any insurer that was rated B or better by A.M. Best at the time the **Insured** has placed or recommend to be placed such coverage or funds, or any of the following **Insureds**:

2. With respect to B rated carriers, coverage under this Endorsement is subject to the following Sublimit of Liability (which is part of and not in addition to the Limits of Liability set forth in the Declarations):

Each **Claim**: \$250,000

**Agent** Aggregate: \$250,000

Maximum Policy Aggregate: \$500,000

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER:

Issued by: Aspen American Insurance Company

Issued to: AmeriLife Holdings, LLC

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NOTICE OF CLAIMS AMENDMENT ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. **SECTION V. D. REPORTING AND NOTICE** is deleted in its entirety and replaced by the following:

- D. Notice shall be forwarded to Lancer Claims Services, 681 South Parker, Suite 300, Orange, CA, 92868, Attention: Financial Services Professional Liability Department. All other notices under this Policy shall be given to Aspen Specialty Insurance Management Co., Attention: Professional Liability Department, 590 Madison Avenue, 7<sup>th</sup> Floor, NY, NY 10022.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER:

Issued by: Aspen American Insurance Company

Issued to: AmeriLife Holdings, LLC

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**OFAC ENDORSEMENT**

In consideration of the premium charged, it is agreed that any payment under this Policy shall only be made in full compliance with all U.S.A. economic or trade sanctions or other laws or regulations, including sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER:

Issued by: Aspen American Insurance Company

Issued to: AmeriLife Holdings, LLC

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PROFESSIONAL SERVICES AMENDMENT ENDORSEMENT – LEVEL A**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that solely with respect to those **Agents** whose election of this coverage is on file with the **Sponsoring Company** and/or CalSurance:

1. **SECTION III. DEFINITIONS, Subsection R., Professional Services**, is hereby deleted in its entirety and replaced with the following:

**R. Professional Services** means:

The solicitation, sale or servicing of:

1. Individual or group accident or health insurance, Medicare Supplement, Medicare Advantage (including Medicare Part D), and disability insurance;
2. Final expense and guaranteed final expense;
3. Long term care insurance;
4. Fixed life or fixed annuity insurance;
5. Mortgage Life Insurance;
6. Disability Insurance;
7. Life Insurance; and
8. Fixed and Indexed Annuities.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER:

Issued by: Aspen American Insurance Company

Issued to: AmeriLife Holdings, LLC

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PROFESSIONAL SERVICES AMENDMENT ENDORSEMENT – LEVEL B**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that solely with respect to those **Agents** whose election of this coverage is on file with the **Sponsoring Company** and/or CalSurance:

1. **SECTION III. DEFINITIONS, Subsection R., Professional Services**, is hereby deleted in its entirety and replaced with the following:

**R. Professional Services** means:

The solicitation, sale or servicing of:

1. Individual or group accident or health insurance, Medicare Supplement, Medicare Advantage (including Medicare Part D), and disability insurance;
2. Final expense and guaranteed final expense;
3. Long term care insurance;
4. Fixed life or fixed annuity insurance;
5. Mortgage Life Insurance;
6. Disability Insurance;
7. Life Insurance;
8. Fixed and Indexed Annuities; and
9. Variable annuities, variable life insurance, or flexible and scheduled premium annuities sold through a Broker-Dealer.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER:

Issued by: Aspen American Insurance Company

Issued to: AmeriLife Holdings, LLC



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PROFESSIONAL SERVICES AMENDMENT ENDORSEMENT – LEVEL C**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. **SECTION III. DEFINITIONS, Subsection R., Professional Services**, is hereby deleted in its entirety and replaced with the following:

**R. Professional Services** means the solicitation, sale or servicing of Medicare Supplement, Medicare Advantage (including Medicare Part D), Final Expense Insurance, and Simple Issue Hospital Indemnity Plans sold through voluntary benefit plans or in connection with Medicare Supplement.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER:

Issued by: Aspen American Insurance Company

Issued to: AmeriLife Holdings, LLC

ASPPL342 0117

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**REGULATORY PROCEEDING COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that **SECTION IV.B.6. EXCLUSIONS** is hereby deleted in its entirety and replaced by:

**B.** Any **Claim** brought or maintained, directly or indirectly, by or on behalf of any:

**6.** Governmental or quasi-governmental entity, or Self-Regulatory Organization including, but not limited to, any state or federal insurance or securities commission or agency, or the Financial Industry Regulatory Authority or the Securities and Exchange Commission; provided that this Exclusion shall not apply to any:

- a.** **Claim** brought by or on behalf of such entity in its capacity as a client of an **Insured**;
- b.** Coverage afforded pursuant to **SECTION II.A. EXTENSIONS OF COVERAGE**; and
- c.** Regulatory proceeding; provided that this coverage is subject to a \$25,000 sublimit, for each **Agent**. This coverage is part of and not in addition to the Limits of Liability otherwise provided. There is no Deductible for the coverage afforded under this **Subsection B.6.c.**

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER:

Issued by: Aspen American Insurance Company

Issued to: AmeriLife Holdings, LLC

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **PRIVACY AND NETWORK SECURITY COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Policy**

In consideration of the premium charged, it is agreed that the coverages provided herein apply to each **Agent**, and:

1. **SECTION II. EXTENSIONS OF COVERAGE**, subsection **C.** is deleted in its entirety and replaced with the following:

### **C. Incident Response Expense Coverage**

The Company shall pay, on behalf of the **Insured**, **Expense** incurred in connection with a **Privacy and Network Security Incident** that first takes place during the **Policy Period**, and that is reported to the Company in accordance with the terms of this Policy.

2. **SECTION II. EXTENSIONS OF COVERAGE** is amended to include the following subsection **D.**:

### **D. Funds Transfer Coverage**

The Company shall pay on behalf of the **Insured**, amounts incurred due to the transfer or loss of funds, monies or securities in response to fraudulent instructions from a third-party that first takes place during the **Policy Period**, and that is reported to the Company consistent with the terms of this Policy. The maximum payment made by the Company for the transfer or loss of funds, monies or securities shall be \$25,000 for each **Policy Period**, regardless of the number of fund transfer incidents. Any payment made by the Company under this Extension shall not reduce the Limits of Liability. The **Insured** shall be responsible for the first \$5,000, in transferred or lost funds, monies or securities.

3. **SECTION III. DEFINITIONS**, subsection **D.**, **Claim**, is amended to include the following:

Solely with respect **Privacy and Network Security Wrongful Acts**, any:

- 1) demand for money or services received by an **Insured** alleging a **Privacy and Network Security Wrongful Act**;
- 2) administrative or regulatory proceeding, inquiry, or investigation against the **Insured**, or any regulatory response to incident reporting received by or on behalf of the **Insured**;
- 3) written demand for non-monetary relief;
- 4) an **Extortion** event.

4. **SECTION III. DEFINITIONS**, subsection **G.**, **Damages**, is deleted in its entirety and replaced as follows:

### **G. Damages** means:

- 1) A monetary amount for which an **Insured** is legally liable, including judgments (inclusive of any pre- or post-judgment interest), awards, settlements negotiated with the prior approval of the Company (except where such prior approval is not necessary as provided elsewhere in the Policy), or taxes, fines or penalties incurred by a third-party and included in such third-party's **Claim**;

- 2) Amounts paid to a consumer redress fund due to a **Privacy and Network Security Incident**;
- 3) Fines and penalties levied by a governmental or regulatory authority due to a **Privacy and Network Security Incident**. However, this coverage is subject to a Sub-Limit of Liability of \$50,000, which amount is part of and not in addition to the Limits of Liability set forth in the Declarations and which shall reduce such Limits of Liability;
- 4) Payment amounts, including the actual, reasonable and necessary costs to execute such payment, of an **Extortion** demand whether in digital currency or traditional currency. However, this coverage is subject to a Sub-Limit of Liability of \$25,000, which amount is part of and not in addition to the Limits of Liability set forth in the Declarations and which shall reduce such Limits of Liability.

It is understood and agreed that with respect to **Damages** resulting from **Claims** for **Privacy and Network Security Wrongful Acts**, the maximum Sub-Limit applicable for sub-sections 1 through 4, above, is \$100,000.

**Damages** shall not include any:

- 5) Fines, sanctions, taxes, or penalties deemed uninsurable pursuant to any applicable law; other than those fines and penalties set forth in Paragraph 3) above;
  - 6) Punitive, exemplary, treble damages or any other damages resulting from the multiplication of compensatory damages;
  - 7) Non-pecuniary or equitable relief, or fees, costs or expenses incurred by an **Insured** to comply with any such relief;
  - 8) The return or withdrawal of fees, commissions or brokerage charges;
  - 9) Judgments or awards from acts deemed uninsurable by law; or
  - 10) **Extortion** payment made without prior consent of the Company.
5. **SECTION III. DEFINITIONS**, subsection **M.**, **Personal Information**, is deleted in its entirety and replaced as follows:
- M. Personal Information** means:
- 1) any non-public information that could allow an individual to be uniquely identified; and
  - 2) the definition provided in any federal, state, local or foreign privacy protection law or regulation governing the control and use of an individual's confidential or protected information.

6. **SECTION III. DEFINITIONS**, subsection **Q.**, **Privacy Regulations**, is deleted in its entirety.
7. **SECTION III. DEFINITIONS**, subsection **V.**, **Wrongful Act**, is amended to include the following:

**Wrongful Act** also means a **Privacy and Network Security Wrongful Act**.

8. **SECTION III. DEFINITIONS**, is amended to include the following definitions:

**Affected Population** means one or more individuals whose **Personal Information** was or may have been impacted as a result of a **Privacy and Network Security Incident**.

**Breach Notification Law** means any governmental statute, regulation, rule or guidance that requires notice to an **Affected Population** or governmental or regulatory authority.

**Call Center Services** means establishing and operating a call center in response to a **Privacy and Network Security Incident**.

**Data Forensics** means investigation and analysis of the **Insured's Network** to determine the source and breadth of a **Privacy and Network Security Incident**.

**Executive Officer** means the CEO, CFO, CISO, CIO, GC, Director of Risk Management, or any individual in a functionally equivalent position of the **Named Insured**.

**Expense** means the necessary and reasonable amounts paid to a third party service provider for:

- 1) **Data Forensics**; However, this coverage is subject to a Sub-Limit of Liability of \$25,000;
- 2) **Public Relations**; However, this coverage is subject to a Sub-Limit of Liability of \$25,000;

Such amounts are in addition to, and not part of the Limit of Liability set forth in Item 3. of the Declarations. There shall be no Deductible applicable to Items 1) and 2) above.

- 3) **Notification**;
- 4) **Fraud Monitoring and Resolution Services**;
- 5) **Call Center Services**; or
- 6) **Incident Response Consultation**; However, this coverage is subject to a Sub-Limit of \$25,000.

10,000 individuals is the maximum number of individuals for which the Company shall provide the coverage set forth in Items 3) through 5) above. Such amount is in addition to, and not part of the Limit of Liability set forth in Item 3. of the Declarations. A single Deductible of \$5,000 shall apply to any and all **Expense** incurred related to Items 3) through 5). Item 6) above shall be subject to a Deductible in the amount of three (3) hours of **Incident Response Consultation** or \$1,200, whichever amount is greater. This Deductible shall apply to each and every **Privacy and Network Security Incident**.

**Extended Network** means all desktops, laptops, servers, peripheral devices, mobile devices or other nodes not under the **Insured's** direct operational control.

**Extortion** means actual or threatened malicious activity directed at an **Insured's Network** or data, where payment or other action from the **Insured** is demanded by a third party.

**Fraud Monitoring and Resolution Services** means credit monitoring, identity monitoring, and identity restoration services provided to an **Affected Population**.

**Incident Response Consultation** means services provided by an external law firm to:

- 1) determine the applicability of and facilitate compliance with **Breach Notification Laws**;
- 2) draft content for **Notification** or reports to governmental or regulatory authorities;
- 3) coordinate service providers approved by the Company to provide **Data Forensics, Public Relations, Service Restoration, Notification, Fraud Monitoring and Resolution Services, and Call Center Services**.

**Network** includes all desktops, laptops, servers, peripheral devices, mobile devices or other nodes under the **Insured's** direct operational control, whether owned or leased.

**Network and Information Security Controls** means all controls, whether policy or technology based, implemented by the **Insured** in order to prevent intrusions of, or unauthorized access to, the **Network** or **Extended Network, Personal Information** or other data, whether residing thereon or in any other form.

**Notification** means communication to an **Affected Population**.

**Privacy and Network Security Incident** means any of the following:

- 1) An actual or suspected breach of **Personal Information** due to a circumvention of the **Insured's Network and Information Security Controls**, or the violation of a **Breach Notification Law**;
- 2) An actual or suspected breach of the **Insured's** commercial, non-personal information due to a circumvention of the **Insured's Network and Information Security Controls**;
- 3) An actual or suspected unauthorized access to, or usage of, the **Insured's Network** due to a circumvention of the **Insured's Network and Information Security Controls**;
- 4) An **Extortion** event; or
- 5) A transmission of malicious code due to circumvention of the **Insured's Network and Information Security Controls**.

**Privacy and Network Security Wrongful Act** means any actual or alleged act, error, misstatement, misleading statement, omission, neglect or breach of duty committed by an **Insured**, solely while performing **Professional Services**, which leads to a **Privacy and Network Security Incident**.

**Public Relations** means services provided by an external public relations firm, crisis management firm or law firm to minimize the reputational impact on an **Insured** resulting from a **Privacy and Network Security Incident**; provided, however, that no other **Expense** or element of **Damages** will be construed as **Public Relations** services.

**Service Restoration** means the actual, necessary and reasonable amounts paid to a third party service provider, incurred with the Company's prior written approval, following a **Privacy and Network Security Incident**, in order to restore the operational capacity of an **Insured's Network** to the level immediately preceding such **Privacy and Network Security Incident**.

9. **SECTION IV. EXCLUSIONS**, is amended to include the following:

Solely with respect to **Claims for Privacy and Network Security Wrongful Acts**, this Policy does not apply to any **Claim**:

- 1) for the failure to transfer funds, monies or securities;
- 2) for any derivative suit or any actual or alleged violation of the Employee Retirement Income Security Act of 1974, as amended, the Securities Act of 1933, the Securities Exchange Act of 1934, or any other federal, state or local securities laws or regulations;
- 3) based upon or arising out of any actual or alleged discharge, dispersal, release or escape of toxic chemicals, liquids or gases, waste materials or other contaminants, or pollutants, however caused;
- 4) based upon or arising out of any suspension or reduction in utilities or telephone communications services not under the **Insured's** control;
- 5) based upon or arising out of declared war;
- 6) based upon or arising out of any infringement of copyright; plagiarism, piracy or misappropriation of ideas; or infringement of title, slogan, trademark, trade name, trade dress, service mark or service name; or
- 7) based upon or arising out of any actual or alleged unfair competition, deceptive trade practices, restraint of trade, or antitrust.

Provided however, that Exclusions 1) through 7) above shall not apply to that portion of an otherwise covered **Claim** for a **Privacy and Network Security Wrongful Act**.

Solely with respect to **Claims for Privacy and Network Security Wrongful Acts** and **Privacy and Network Security Incidents** based upon or arising out of any actual or alleged matter that prior to the **Policy Period** an **Executive Officer** knew or reasonably should have known would likely to lead to a **Claim** or **Expense**.

10. **SECTION V. REPORTING AND NOTICE** subsection **A.** is deleted in its entirety and replaced as follows:

**A.** In the event of a **Claim** or a **Privacy and Network Security Incident**, the **Insured** shall, as a condition precedent to exercising any right to the coverage afforded by this Policy, as soon as practicable forward to the Company every demand, notice, summons and/or pleading received by an **Insured**;

11. **SECTION VIII. GENERAL CONDITIONS** subsection **A.2** is deleted in its entirety and replaced as follows:

The Company shall only be liable for **Damages** and **Claims Expenses** which are in excess of the Deductible(s) set forth in Item 4 of the Declarations. The Deductible(s) shall apply separately to each **Claim** or **Privacy and Network Security Incident** and shall be borne by the **Insured** and remain uninsured. For purposes of the Deductible(s), **Claims** or **Privacy and Network Security Incidents** arising out of one **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as arising out of one **Wrongful Act**, and only one Deductible amount shall apply thereto. The Deductible shall not reduce or increase the Limits of Liability.

12. **SECTION VIII. GENERAL CONDITIONS** is amended to include the following:

1) Incident Response

The third party service providers (each a "Preferred Provider") and their respective services described in this endorsement are pre-approved by the Company to assist the **Insured** in the event of a **Privacy and Network Security Incident**. Preferred Providers are not affiliated with the Company and are solely responsible for all services.

2) Incident Response Consultation Hotline

The Incident Response Consultation Hotline (IRCH), 1-844-844-0103, is provided to assist the **Insured** with responding rapidly, and consistent with industry best practices, to a **Privacy and Network Security Incident**. An **Insured** calling the IRCH will be prompted to leave a voicemail, including return contact information and their Aspen Policy number. The voice message will then be automatically forwarded to the Company, as well as to the **Incident Response Consultation Preferred Provider** identified in this endorsement. The **Insured** will typically receive a response from either the **Incident Response Consultation Preferred Provider** or the Company within four (4) business hours from the time such voicemail was received; however, longer response times may occur.

Calling the IRCH is not a substitute for the **Insured's** reporting and notice obligations under the Policy. As a condition precedent to coverage, the **Insured** must comply with all obligations under the Policy, including without limitation, providing the Company notice of any incident in accordance with **Section V. REPORTING AND NOTICE** of this Policy.

3) Incident Response Consultation Services

Mullen Coughlin, LLC is the exclusive Preferred Provider pre-approved by the Company to provide **Incident Response Consultation** services in connection with a **Privacy and Network Security**

**Incident.** Any decision to engage the services of Mullen Coughlin, LLC is solely at the **Insured's** discretion.

If the **Insured** does elect to retain the services of Mullen Coughlin, LLC, the **Insured** agrees to execute an engagement letter outlining the services to be provided. The Company's liability will only apply to **Incident Response Consultation** services provided by Mullen Coughlin, LLC, regardless of any other services that may be stated in the engagement letter between the **Insured** and Mullen Coughlin, LLC or otherwise provided by Muller Coughlin, LLC.

#### 4) Incident Response Services:

##### **Data Forensics:**

The Company has a list of Preferred Providers pre-approved to provide **Data Forensics** to the **Insured** in connection with a **Privacy and Network Security Incident**. Please contact the Company's Claims Department at [Professionalliability.claims@aspenspecialty.com](mailto:Professionalliability.claims@aspenspecialty.com) to obtain consultation as to hiring a consultant. Any decision to engage the services of such a Preferred Providers pre-approved to provide **Data Forensics** is solely at the **Insured's** discretion.

These services include:

- a) Evaluation and analysis of the **Insured's Network** to gather and preserve evidence for determining the breadth and source of a **Privacy and Network Security Incident**; and
- b) Data mining to identify the **Affected Population**; and
- c) Remediation of a **Privacy and Network Security Incident** on the **Insured's Network**.

##### **Notification, Fraud Monitoring and Resolution Services, and Call Center Services:**

AllClear ID is the Preferred Provider pre-approved by the Company to provide **Notification, Fraud Monitoring and Resolution Services** and **Call Center Services** on behalf of the **Insured** in connection with a **Privacy and Network Security Incident**. AllClear ID's services include:

- a) Management of notification letter printing, mailing (via first class mail) and return mailing processing;
- b) Change of address lookup and address verification;
- c) Social Security Number verification and death registry lookup;
- d) Enrollment in Triple Bureau Credit Monitoring for a period up to 12 months from the date of enrollment;
- e) Enrollment in ChildScan for individuals under the age of 18, with continuous service until they reach the age of majority;
- f) Automatic enrollment in Identity Protection, Repair and Resolution Services for a period of 12 months from the date of enrollment; and
- g) **Call Center Services** for a period of up to 12 months following notification of a **Privacy and Network Security Incident**.



- 5) Nothing in this Section is meant nor will it be construed as a guarantee that the Preferred Providers will be available to provide the services described herein. The Company reserves the right to substitute a provider of like qualifications and competency in the event that a Preferred Provider is unavailable to perform the services. The Company may also change, amend or supplement its Preferred Providers from time to time for any reason. Both the Company and the **Insured** will agree in writing prior to retaining any vendor that is not a Preferred Provider.
- 6) Without the prior written consent of the Company, no coverage will be available under this Policy for any services performed by, or any engagement of, any third party service providers that are not specifically identified in this endorsement or pre-approved by the Company.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

THIS ENDORSEMENT FORMS A PART OF POLICYNUMBER: Issued by:

Aspen American Insurance Company

Issued to: AmeriLife Holdings, LLC

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SPECIFIED PRODUCTS AND SERVICES COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. **SECTION III. DEFINITIONS, Subsection R. Professional Services** is hereby amended to add the following:

**R. Professional Services** means the solicitation, sale or servicing of a Defined Contribution Health Insurance Plan.

2. **SECTION III. DEFINITIONS, Subsection R. Professional Services** is further amended to add the following:

**Professional Services** also means the solicitation, sale or servicing of a life insurance policy approved by the **Sponsoring Company** or a subsidiary in which the premium was paid for, in whole or in part, by or through any premium finance mechanism or any premium finance company provided, however, that the death benefits of such life insurance policy are \$10,000,000 or less.

3. With respect to coverage under paragraph 1., above, this Endorsement is subject to the following Sublimit of Liability (which is part of and not in addition to the Limits of Liability):

Each **Claim**: \$250,000

**Agent Aggregate**: \$250,000

Maximum Policy Aggregate: \$250,000

4. With respect to coverage under paragraph 2., above, this Endorsement is subject to the following Sublimit of Liability (which is part of and not in addition to the Limits of Liability):

Each **Claim**: \$250,000

**Agent Aggregate**: \$250,000

Maximum Policy Aggregate: \$250,000

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: LRAH2KV18

Issued by: Aspen American Insurance Company

Issued to: AmeriLife Holdings, LLC

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PROFESSIONAL SERVICES AMENDMENT ENDORSEMENT – REGISTERED INVESTMENT ADVISERS AND INVESTMENT ADVISOR REPRESENTATIVES COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that solely with respect to those **Insureds** whose election of this coverage is on file with the **Sponsoring Company** and/or CalSurance:

1. **SECTION III. – DEFINITIONS**, paragraph **K. Insured** is amended to add the following:

AmeriLife Financial Advisors, LLC., solely in its capacity as a **Registered Investment Advisor**.

2. **SECTION III. – DEFINITIONS**, paragraph **K. Insured** is amended to add the following:

**Insured** means any **Investment Advisor Representative** affiliated with the **Insured Registered Investment Advisor**, AmeriLife Financial Advisors, LLC., solely while performing **Professional Services**.

3. **Section III. – DEFINITIONS** is amended to add the following:

**Investment Advisor Representative** means a "Person Associated with an Investment Advisor" as that term is defined in the Investment Advisors Act of 1940, and any amendments thereto, affiliated with the **Insured Registered Investment Advisor**, AmeriLife Financial Advisors, LLC., solely while performing **Professional Services**.

4. **Section III. – DEFINITIONS** is amended to add the following:

**Registered Investment Advisor** means an entity registered with the Securities and Exchange Commission and/or all applicable state governmental or quasi-governmental regulatory authorities, which provides investment advice or management services for a fixed fee, an hourly fee, or a fee based upon a percentage of assets under management.

5. **SECTION III. – DEFINITIONS**, paragraph **R. Professional Services** is amended to add the following:

**R. Professional Services** means the provision of financial, investment or economic advice as a **Registered Investment Advisor** or an **Investment Advisor Representative** affiliated with the **Insured Registered Investment Advisor**, AmeriLife Financial Advisors, LLC., while performing **Professional Services** and in connection with otherwise covered products or services.

6. **SECTION IV. – EXCLUSIONS**, is amended to add the following:

Arising out of the exercising of discretionary authority by an **Insured**; however, this Exclusion shall not apply to 1) the exercising of discretionary authority as a **Registered Investment Advisor** or as an **Investment Advisor Representative** while acting on behalf of the **Insured Registered Investment Advisor** with respect to mutual funds, variable annuities, or variable life products, 2) while providing asset management allocation services for a fee with respect to mutual funds, variable annuities or variable life products or 3) the exercising of discretionary authority as a **Registered Investment**

**Advisor** while providing an advisory program where an outside money manager is used, provided such activity is authorized and approved in writing by the Named Insured.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

Nothing contained herein shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the Policy, other than as herein stated.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER:

Issued by: Aspen American Insurance Company

Issued to: AmeriLife Holdings, LLC

**ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT DIVISION OF  
INSURANCE**

**ATTORNEY FEES COVERAGE NOTICE B**

**THE POLICY LIMITS COVERAGE FOR ATTORNEY FEES - UNDER ALASKA RULE OF CIVIL  
PROCEDURE 82**

In any **Claim** in Alaska in which the Company has a right or duty to defend an **Insured** within the Limits of Liability, its obligation under the applicable coverage to pay attorneys fees taxable as costs against the **Insured** is limited as follows:

Alaska Rule of Civil Procedure 82 provides that if the **Insured** is held liable, for some or all of the attorney fees of the person making a **Claim** against you must be paid by the **Insured**. The amount that must be paid by the **Insured** is determined by Alaska Rule of Civil Procedure 82. The Company provides coverage for attorney fees for which the **Insured** is liable under Alaska Rule of Civil Procedure 82 subject to the following limitations:

If the Limit of Liability of the applicable coverage is \$1,000,000 or more, the Company will not pay any combination of judgment or **Claim** settlement and attorney fees under Alaska Rule of Civil Procedure 82 that exceeds the Limit of Liability of the applicable coverage.

If the Limit of Liability of the applicable coverage is less than \$1,000,000, the Company will not pay more than the greater of

- (1) that portion of any attorney's fees that is calculated by applying the schedule for contested cases in Alaska Rule of Civil Procedure 82(b) (1) to the Limit of Liability of the applicable coverage; or
- (2) \$10,000.

This limitation means that potential costs that may be awarded against the **Insured** as attorney fees may not be covered in full. The **Insured** must pay any attorney fees not covered directly.

**Example 1:**

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b) (1) are:

- 20% of the first \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court awards a judgment against the **Insured** in the amount of \$1,250,000, in addition to that amount the **Insured** would be liable, for attorney fees of \$127,500 under Alaska Rule of Civil Procedure 82 (b) (1) calculated as follows:

20% of \$25,000	\$5,000
10% of \$1,225,000	\$122,500
Total Award     \$1,250,000	Total Attorney Fees     \$127,500

If the Limit of Liability of the applicable coverage is \$1,000,000, the Company would pay \$1,000,000 of the \$1,250,000 award, less the costs incurred defending the **Insured**, and none of the attorney fees under Alaska Rule of Civil Procedure 82(b) (1).

The **Insured** would be liability to pay, directly and without the Company's assistance, the remaining judgment in excess of the remaining Policy limit plus the \$127,500 attorney fees under Alaska Rule of Civil Procedure 82.

**Example 2:**

**SPECIMEN**

The attorney fees provided by the schedule for contested cases under Alaska Rule of Civil Procedure 82 (b) (1) are:

- 20% of the first \$25,000 of a judgment;
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court awards a judgment against the **Insured** in the amount of \$650,000, in addition to that amount the **Insured** would be liable under Alaska Rule of Civil Procedure 82 (b) (1) for attorney fees of \$67,500, calculated as follows:

20% of \$25,000		\$5,000	
10% of \$625,000		\$62,500	
Total Award	\$650,000	Total Attorney Fees	\$67,500

If the Limit of Liability of the applicable coverage is \$500,000, the Company would pay \$500,000 of the \$650,000 award, less the costs incurred defending the **Insured**, and \$52,500 of the attorney fees under Alaska Rule of Civil Procedure 82 (b) (1), calculated as follows:

20% of \$25,000		\$5,000	
10% of \$475,000		\$47,500	
Total Limit of Liability	\$500,000	Total Attorney Fees	\$52,500

The **Insured** would be liable to pay, directly and without the Company assistance, the judgment in excess of the remaining Policy limit plus the remaining \$15,000 for attorney fees under Alaska Rule of Civil Procedure 82 not covered by this Policy.

**Example 3:**

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82 (b) (1) are:

- 20% of the first \$25,000 of the judgment
- 10% of the amounts over \$25,000 of a judgment.

Therefore, if a court enters a judgment against the **Insured** in the amount of \$500,000, in addition to that amount the **Insured** would be liable for attorney fees of \$52,500 under Alaska Rule of Civil Procedure 82 (b) (1), calculated as follows:

20% of \$25,000		\$5,000	
10% of \$475,000		\$47,500	
Total Award	\$500,000	Total Attorney Fees	\$52,500

If the Limit of Liability of the applicable coverage is \$50,000, the Company would pay \$50,000 of the \$500,000 award less the costs incurred defending you, and \$10,000 of the attorney fees under Alaska Rule of Civil Procedure 82 (b) (1), calculated as follows:

20% of \$25,000		\$5,000	
10% of \$25,000		\$2,500	
	Minimum limit:	\$10,000	
Total Limit of Liability	\$50,000	Total Attorney Fees Covered	\$10,000

The **Insured** would be liable to pay, directly and without the Company assistance, the judgment in excess of the remaining Policy limit plus the remaining \$42,500 for attorney fees under Alaska Rule of Civil Procedure 82 not covered by this Policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ALASKA CHANGES – ATTORNEY’S FEES**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

**SCHEDULE**

<b>Attorney's Fees For A Judgment Of</b>	<b>Additional Premium</b>
<b>\$</b>	<b>\$</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

In consideration of the premium charged, it is agreed that in any **Claim** the Company defends in Alaska, the Company has the following obligations:

- A.** The Company will pay, with respect to any **Claim** that it investigates or settles, or any **Claim** against an **Insured** it defends:
  - 1. Prejudgment interest awarded against the **Insured** on that part of the judgment the Company pays. If the Company makes an offer to pay the applicable Limit of Liability, the Company will not pay any prejudgment interest based on that period of time after the offer.
  - 2. All interest on the full amount of any judgment that accrues after entry of the judgment and before the Company has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Liability.

These payments will not reduce the Limit of Liability or the Deductible.

- B.** In any **Claim** the Company defends in Alaska, the Company’s obligation to pay all costs taxed against the **Insured** is amended by the following:
  - 1. The Company will pay that portion of the attorney's fees awarded as costs which does not exceed the amount allowed for a contested case in the schedule of attorney's fees contained in Alaska Civil Rule 82 for a judgment equal to the applicable Limit of Liability.
  - 2. However, if a premium and a judgment amount are shown in the Schedule, the Company will pay, instead of the attorney's fees provided in Paragraph **B.1.** of this endorsement, that portion of the attorney's fees awarded as costs which do not exceed the amount allowed for a contested case in Civil Rule 82 for the judgment amount shown in the Schedule.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ALASKA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Definition **L.** of Section **III. DEFINITIONS** is deleted and replaced by the following:

**L. Interrelated Wrongful Acts** means **Wrongful Acts** that are temporally, logically or causally connected by any common nexus of any fact, circumstance, situation, or event, or which are the same, related or continuous acts. The **Claim** or **Claims** alleging such acts can involve the same or different claimants, **Insureds** or legal causes of action including, but not limited to, any insurance products of any entity which becomes the subject of any bankruptcy, insolvency, liquidation or reorganization proceeding.

2. The opening sentence of Section **IV. EXCLUSIONS** is deleted and replaced by the following:

This Policy does not apply to any **Claim** directly involving:

3. Paragraph **B. Extended Reporting Periods** of Section **VIII. GENERAL CONDITIONS**, is deleted in its entirety and replaced by the following:

**B. Extended Reporting Periods**

1. **Group Extended Reporting Period**

- a. Automatic **Extended Reporting Period**.

- (i) Upon cancellation or termination of this Policy, an Automatic **Extended Reporting Period** is provided without additional charge. This period starts at the date of the Policy termination or the expiration of the **Policy Period**, whichever is earlier, and lasts for sixty (60) days.
- (ii) The Automatic **Extended Reporting Period** applies to **Claims** arising out of a **Wrongful Act** or **Wrongful Termination** that was committed during the **Policy Period** or after the **Retroactive Date**, if any, as set forth in the Declarations, and which are first made against the **Agent** during the **Policy Period** or within sixty (60) days after Policy termination or expiration of the **Policy Period**, whichever is earlier, and reported to the Company, in writing, within sixty (60) days after Policy termination or the expiration of the **Policy Period**, whichever is earlier.

This Automatic Extended Reporting Period shall not be available if the **Insured** has any other applicable insurance, including any policy issued subsequent to this Policy. This Automatic Extended Reporting Period shall be included within the Optional Extended Reporting Period described in paragraph B.1.b. and B.2, below, if such Optional Extended Reporting Period is purchased.

- b. Optional Extended Reporting Period.

In the event of cancellation or non-renewal of this Policy by the Company, for reasons other than non-payment of premium, the **Sponsoring Company** may elect to purchase, on behalf of all **Agents**, for an additional premium an Optional **Extended Reporting Period** after the date of such cancellation or non-renewal to report to the Company any



**Claim** which is first made during any Optional **Extended Reporting Period** and which arises out of a **Wrongful Act** or **Wrongful Termination** committed prior to cancellation or non-renewal and on or after the **Retroactive Date**.

- c. The right to purchase the Optional **Extended Reporting Period** must be exercised by notice in writing not later than sixty (60) days following the non-renewal or cancellation date of this Policy, and must include payment of premium for the applicable Optional **Extended Reporting Period**, as well as payment of all premiums due the Company. If such notice is not so given to the Company, the **Sponsoring Company** shall not be entitled to exercise such right at a later date.

## 2. Individual Agent Extended Reporting Period

- a. Automatic **Extended Reporting Period** Due to Termination of **Agent** Contract.

- (i) Termination of **Agent** for Non-disciplinary Reasons. If, during the **Policy Period**, the **Sponsoring Company** terminates an **Agent's** contract for non-disciplinary reasons, coverage for such **Agent** shall cease as of the date of such termination.

- (a) With respect to all covered products, the **Agent** shall have a period of sixty (60) days after the expiration of the **Policy Period** to report to the Company any **Claim** which is first made during this sixty (60) day period and which arises from a **Wrongful Act** committed on or after the **Retroactive Date** and prior to the expiration of the **Policy Period**.

- (b) With respect to any products issued by the **Sponsoring Company**, the **Agent** shall have a period of one (1) year after the expiration of the **Policy Period** to report to the Company any **Claim** which is first made during this one (1) year period and which arises from a **Wrongful Act** committed on or after the **Retroactive Date** and prior to the expiration of the **Policy Period**.

- (ii) Termination of **Agent** for Disciplinary Reasons. If the **Agent** is terminated for disciplinary reasons, coverage for such **Agent** shall cease upon the date of such termination, and the **Agent** shall not be entitled to any Automatic **Extended Reporting Period**.

- b. Automatic **Extended Reporting Period** Due to Disablement, Retirement, or Death.

If, during the **Policy Period**, an **Agent** retires or becomes disabled or deceased, coverage for such **Agent** shall cease as of the date of such disability or death, provided that the **Agent** or his/her legal representative shall have, without additional charge, a period of two (2) years after the date of such disability or death to report to the Company any **Claim** which is first made during this two (2) year period and which arises out of a **Wrongful Act** committed prior to such disability or death and on or after the **Retroactive Date**.

- c. Optional **Extended Reporting Period**.

If, during the **Policy Period**, an **Agent** retires or becomes disabled or deceased, the **Agent** or its legal representative may elect to purchase, for an additional premium, an Optional **Extended Reporting Period** to report to the Company any **Claim** which is first made during the applicable period and which arises out of a **Wrongful Act** committed prior to such retirement, disability or death and on or after the **Retroactive Date**.

## 3. Extended Reporting Periods – Other Terms and Conditions

- a. Automatic **Extended Reporting Periods** shall not apply to any **Agent** that has any other applicable insurance.

- b. At the commencement of any Optional **Extended Reporting Period**, the entire premium thereafter shall be deemed earned.
  - c. The fact that this Policy may be extended by virtue of an **Extended Reporting Period** shall not in any way increase the Limits of Liability set forth in Item 3 of the Declarations.
- 4. Paragraph **G. Termination** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

**G. Termination**

This Policy shall terminate at the earliest of the following event:

- 1. Upon expiration of the **Policy Period** set forth in Item 2 of the Declarations, or the effective date of cancellation, if earlier;
  - 2. Twenty (20) days after receipt by the **Sponsoring Company** of a written notice of cancellation from the Company for failure to pay a premium due;
  - 3. As to an **Agent**, upon termination of an **Agent** contract.
- 5. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

**H. Cancellation**

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, and to the **Sponsoring Company's** broker, written notice stating when, not less than sixty (60) days thereafter (or twenty (20) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The notice of cancellation will be mailed by the Company by first class mail with a certificate of mailing and this Policy shall terminate at the date and hour specified in such notice.

If this Policy shall be cancelled by the **Sponsoring Company**, the refund will be the pro rata unearned premium minus a cancellation fee of 7.5% of the pro rata unearned premium. The Company will return any unearned premium within 45 days of the receipt of the **Sponsoring Company's** request for cancellation or the effective date of cancellation, whichever is later.

If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. The unearned premium will be refunded before the effective date of cancellation, except if the reason for cancellation is non-payment of premium. If the reason the Company cancelled is non-payment of premium, then the refund will be within forty five (45) days after the notice of cancellation. Payment or tender of unearned premium shall not be a condition of cancellation.

- 6. The following are added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

The Company may elect not to renew this Policy by mailing written notice of non-renewal, stating the reason(s) for such non-renewal, to the **Sponsoring Company** at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, and to the **Sponsoring Company's** broker, at least forty five (45) days before the expiration of the Policy. The notice of non-renewal will be mailed by the Company by first class mail with a certificate of mailing.

## Q. Renewal

The Company must give notice if the renewal premium is increased by more than ten percent (10%) or if there is a material restriction or reduction in coverage by mailing written notice to the **Sponsoring Company** at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, and to the **Sponsoring Company's** broker, at least forty five (45) days before the expiration of the Policy. The notice will be mailed by the Company by first class mail with a certificate of mailing and will indicate the premium increase or material restriction or reduction in coverage.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ARIZONA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following is added to paragraph H. Cancellation of Section VIII. GENERAL CONDITIONS:**

However, if this Policy has been in effect for more than 60 days, or is a renewal of a Policy that the Company issued, the Company may cancel this Policy, after the effective date of the Policy, for one of the following reasons:

1. Non-payment of premium;
2. Conviction of a crime arising out of acts increasing the hazard insured against;
3. Acts or omissions constituting fraud or material misrepresentation in the procurement of this Policy, in continuing this Policy or in presenting a **Claim** under this Policy;
4. Substantial change in the risk assumed, except to the extent that the Company should have reasonably foreseen the change or contemplated the risk in writing the contract;
5. Substantial breach of contractual duties or conditions;
6. Loss of reinsurance applicable to the risk insured against resulting from termination of treaty or facultative reinsurance initiated by the Company's reinsurer(s);
7. Determination by the Director of Insurance that the continuation of the Policy would place the Company in violation of the insurance laws of this state or would jeopardize the Company's solvency; or
8. Acts or omissions which materially increase the hazard insured against.

If the Company cancels this Policy based on one or more of the above reasons, the Company will mail by registered, certified, or other first class mail to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, and the **Sponsoring Company** broker, written notice of cancellation stating the reason(s) for cancellation at least:

1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium.
2. 60 days before the effective date of cancellation if the Company cancels for any of the other reasons.

**2. The following is added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal and Renewal**

**1. Non-renewal**

- a. If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, and the **Sponsoring Company** broker, written notice of non-renewal at least 45 days prior to the expiration of this Policy.

**2. Renewal**

- a. If the Company elects to renew this Policy and the renewal is subject to any of the following:

- (1) Increase in premium;
- (2) Change in deductible;
- (3) Reduction in limits of insurance; or
- (4) Substantial reduction in coverage;

the Company will mail by registered, certified, or other first class mail to the **Sponsoring Company** at the address identified in Item 1. of the Declarations at least 30 days before the anniversary or expiration date of the Policy.

- b. If renewal is subject to any condition described in **2.a.(1) – (4)**, above, and the Company fails to provide notice 30 days before the anniversary or expiration date of this Policy, the following procedures apply:

- (1) The present Policy will remain in effect until the earlier of the following:
  - (a) 30 days after the date of mailing or delivery of the notice; or
  - (b) The effective date of replacement coverage obtained by **Sponsoring Company**
- (2) If the **Sponsoring Company** elects not to renew, any earned premium for the period of extension of the terminated Policy will be calculated pro rata at the lower of the following rates:
  - (a) The rates applicable to the terminated Policy; or
  - (b) The rates presently in effect.
- (3) If the **Sponsoring Company** accepts the renewal, the premium increase, if any, and other changes are effective the day following this Policy's anniversary or expiration date.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ARKANSAS AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **G.** of Section **III. DEFINITIONS** is deleted and replaced by the following:
  - A. Damages** means a compensatory monetary amount for which an **Insured** may be held legally liable, including judgments, awards, or settlements negotiated with the prior approval of the Company, provided that **Damages** shall not include:
    1. Any disgorgement, return, withdrawal, restitution or reduction of any sums or fees, including any sums or fees which are or were in the possession or control of any **Insured**;
    2. Any amounts credited to any **Insured's** account;
    3. Fines, sanctions, taxes, penalties or awards deemed uninsurable pursuant to any applicable law;
    4. Punitive, exemplary, treble damages or any other damages resulting from the multiplication of compensatory damages. Punitive means those damages imposed to punish a wrongdoer or deter other from similar conduct;
    5. Equitable relief, or fees, costs or expenses incurred by an **Insured** to comply with any such equitable relief;
    6. Any amounts constituting a waiver of fees, charges, costs or any other monetary amounts the **Sponsoring Company** is contractually entitled to impose upon a client or customer;
    7. The collection, payment or return of, or the failure to collect, pay or return, any commission, fee, tax, funds, premium or claim monies;
    8. Any disputes involving an **Insured's** client lists, or non-compete or similar agreements;
    9. Any disputes involving an **Insured's** commissions, fees, charges, entitlements or other compensation; or
2. Item **d.** of Section **VIII. GENERAL CONDITIONS**, Paragraph **A. Limits of Liability, Deductible, and Claims First Made**, Sub-paragraph **1. Limits of Liability** is deleted and replaced by the following:
  - d.** The Limits of Liability of the Company for any **Extended Reporting Period** shall be the remaining amount of the Limit of Liability (set forth in Item 3 of the Declarations) or fifty percent (50%) of the Limit of Liability (set forth in Item 3 of the Declarations.) at the policy's inception, whichever is greater.
3. Items **b.** and **c.** of Section **VIII. GENERAL CONDITIONS**, Paragraph **B. Extended Reporting Periods**, Sub-paragraph **1. 1.Group Extended Reporting Period** is deleted and replaced by the following:
  - b. Optional Extended Reporting Period**

In the event of cancellation or non-renewal of this Policy by the Company the **Sponsoring Company** may elect to purchase, on behalf of all **Agents**, for an additional premium as set forth in Item 7 of the Declarations, an Optional **Extended Reporting Period** for a period of three (3) years after the date of such cancellation or non-renewal to report to the Company any **Claim** which is first made during said three (3) year period and which arises out of a **Wrongful Act** or **Wrongful Termination** committed prior to cancellation or non-renewal and on or after the **Retroactive Date**.

- c. The right to purchase the Optional **Extended Reporting Period** must be exercised by notice in writing not later than sixty (60) days following the non-renewal or cancellation date of this Policy, and must include payment of premium for the applicable Optional **Extended Reporting Period**. If such notice is not so given to the Company, the **Sponsoring Company** shall not be entitled to exercise such right at a later date.
4. Item c. of Section **VIII. GENERAL CONDITIONS**, Paragraph **B. Extended Reporting Periods**, Sub-paragraph **3. Extended Reporting Periods – Other Terms and Conditions** is deleted and replaced by the following:
- c. If this Policy is extended by virtue of an **Extended Reporting Period**, the Limit of Liability for any applicable Extended Reporting Period shall be the remaining amount of the Limit of Liability (set forth in Item 3 of the Declarations) or fifty percent (50%) of the Limit of Liability (set forth in Item 3 of the Declarations.) at the Policy's inception, whichever is greater.
5. The following is added to Paragraph **C. Subrogation** of Section **VIII. GENERAL CONDITIONS**:
- The Company will only be entitled to any recoveries after the **Insured** has been compensated for any **Claims Expenses** and/or **Damages** paid by the **Insured**
6. The following is added to Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS**:
- However, if this Policy has been in effect for more than 60 days or if this is a renewal of a Policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:
- 1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
  - 2. 60 days before the effective date of cancellation due to:
    - a. Fraud or material misrepresentation obtaining the Policy, continuing the Policy or in presenting a **Claim** under the Policy;
    - b. The occurrence of a material change in the risk which substantially increases any hazard insured against after the Policy has been issued;
    - c. Nonpayment of membership dues in those cases where our bylaws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the Policy; or
    - d. A material violation of a material provision of the Policy.
7. The following are added to Section **VIII. GENERAL CONDITIONS**:
- P. Non-renewal**
- If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address

identified in Item 1. of the Declarations, at least 60 days before the expiration date or anniversary date of the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALIFORNIA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is hereby deleted in its entirety and replaced with the following:

### **H. Cancellation/Non-Renewal**

1. The **Sponsored Company** may cancel this Policy by mailing or delivering to the Company advance written notice of cancellation.

#### **2. All Policies In Effect For 60 Days Or Less**

If this Policy has been in effect for 60 days or less, and is not a renewal of a Policy that the Company has previously issued, the Company may cancel this Policy by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, and to the **Sponsoring Company** broker, advance written notice of cancellation, stating the reason for cancellation, at least:

- a. Ten (10) days before the effective date of cancellation if the Company cancels for:
  - (1) Non-payment of premium; or
  - (2) Discovery of fraud in obtaining this Policy or in pursuing a **Claim** under this Policy.
- b. Thirty (30) days before the effective date of cancellation if we cancel for any other reason.

#### **3. All Policies In Effect For More Than 60 Days**

- a. If this Policy has been in effect for more than 60 days, or is a renewal of a Policy that the Company issued, the Company may cancel this Policy, after the effective date of the policy, for one of the following reasons:

- (1) Non-payment of premium, including payment due on a prior policy the Company issued and due during the current policy term covering the same risks.
- (2) Discovery of fraud or material misrepresentation in obtaining this Policy or in pursuing a **Claim** under this Policy.
- (3) A judgment by a court or an administrative tribunal that the **Insured** has violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
- (4) Discovery of wilful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, which materially increase any of the risks insured against.
- (5) Failure to implement reasonable loss control requirements, agreed upon as a condition of policy issuance, or which were conditions precedent to the Company's use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

- (6) A determination by the Commissioner of Insurance that the:

- (a) Loss of, or changes in, the **Company's** reinsurance covering all or part of the risk would threaten its financial integrity or solvency; or
  - (b) Continuation of the Policy coverage would place the Company in violation of California law or the laws of the state where we are domiciled or threaten the **Company's** solvency.
- (7) A change in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. The Company will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, and to the **Sponsoring Company** broker, at least:
  - (1) Ten (10) days before the effective date of cancellation if the Company cancels for non-payment of premium or discovery of fraud; or
  - (2) Thirty (30) days before the effective date of cancellation if the Company cancels for any other reason listed in Paragraph **3.a.** above.
- 4. Notice of cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.
- 5. If this Policy is cancelled, the Company will send the **Sponsoring Company** any premium refund due. The refund, if any, will be computed on a pro rate basis. However, the refund may be less than pro rata if the Company made a loan to the **Sponsoring Company** for the purpose of payment of premiums for this Policy. The cancellation will be effective even if the Company has not made or offered a refund.
- 6. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 7. If the Company elects not to renew this Policy, the Company will mail or deliver written notice stating the reason for nonrenewal to the **Sponsoring Company's** address set forth in Item 1 of the Declarations, and to the **Sponsoring Company** broker, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COLORADO AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **K.** of Section **III. DEFINITIONS** is deleted in its entirety and replaced by the following:

**K. Insured** means:

1. An **Agent**;
2. An entity owned and controlled by an **Agent**, but solely in connection with **Professional Services** provided by the **Agent**;
3. An employee of an **Agent** acting in his or her capacity as such on behalf of such **Agent**, but solely if the employee is not otherwise contracted as an agent with the **Sponsoring Company** or another insurer and solely in connection with **Professional Services** provided by such **Agent**;
4. The legal heir, executor, administrator or legal representative of an **Agent** in the event of such **Agent's** death, incapacity or bankruptcy;
5. The lawful spouse, partner in a civil union, party to a civil union or domestic partner of any individual that qualifies as an **Insured** under Sub-sections **1.**, **3.**, or **4.**, above, for a **Claim** arising solely out of spousal or domestic partner status, and not out of any alleged independent **Wrongful Acts**, of such individual; or
6. The **Sponsoring Company**, if the only allegation against it is for vicarious liability based upon the **Wrongful Acts** of an **Agent**. The **Sponsoring Company** shall not be an **Insured** if there is any allegation of a wrongful act committed by the **Sponsoring Company**, regardless of whether the **Sponsoring Company**

2. The following is added to paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS**:

However, if this Policy has been in effect for more than 60 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a. A false statement knowingly made by the **Sponsoring Company** on the application for insurance; or
  - b. A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the Policy unless the **Sponsoring Company** has notified the Company of the change and the Company accepts such change.

The notice will state the reason for the cancellation.

3. The following are added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address

identified in Item 1. of the Declarations, at least 45 days before the expiration date of the Policy or its anniversary date if it is a Policy written for a term of more than one year or with no fixed expiration date.

**Q. Increase In Premium Or Decrease In Coverage**

The Company will not increase the premium unilaterally or decrease the coverage benefits on renewal of this Policy unless the Company mails by registered, certified, or other first class mail to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, written notice of the Company's intention, including the actual reason, at least 45 days before the effective date.

Any decrease in coverage during the Policy term must be based on one or more of the following reasons:

1. Non-payment of premium;
2. A false statement knowingly made by the **Sponsoring Company** on the application for insurance; or
3. A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the Policy unless the **Sponsoring Company** has notified the Company of the change and the Company accepts such change.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CONNECTICUT AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following is added to Section III. DEFINITIONS:**

**Y. Termination of Coverage** mean:

- 1. Cancellation or non-renewal of the Policy; or**
  - 2. Decrease in limits, reductive of coverage, increased deductible, new exclusion or any other change in coverage less favourable to the Insured.**
- 2. Item d. of Section VIII. GENERAL CONDITIONS, Paragraph A. Limits of Liability, Deductible, and Claims First Made, Sub-paragraph 1. Limits of Liability is deleted and replaced by the following:**
- d. The Limits of Liability for any Extended Reporting Period shall be equal to the Limits of Liability set forth in Item 3 of the Declarations.**
- 3. Paragraph B. Extended Reporting Periods of Section VIII. GENERAL CONDITIONS is hereby deleted in its entirety and replaced with the following:**

**B. Extended Reporting Periods**

**1. Group Extended Reporting Period**

**a. Automatic Extended Reporting Period.**

- (i) An Automatic Extended Reporting Period is provided without additional charge. This period starts at the date of the Termination of Coverage and lasts for sixty (60) days.**
- (ii) The Automatic Extended Reporting Period applies to Claims arising out of a Wrongful Act or Wrongful Termination that was committed during the Policy Period or after the Retroactive Date, if any, as set forth in the Declarations, and which are first made against the Agent during the Policy Period or within sixty (60) days after a Termination of Coverage or expiration of the Policy Period, whichever is earlier, and reported to the Company, in writing, within sixty (60) days after a Termination of Coverage.**

This Automatic Extended Reporting Period shall not be available if the **Insured** has any other applicable insurance, including any policy issued subsequent to this Policy. This Automatic Extended Reporting Period shall be included within the Optional Extended Reporting Period described in paragraph B.1.b. and B.2, below, if such Optional Extended Reporting Period is purchased.

**b. Optional Extended Reporting Period.**

In the event of a **Termination of Coverage**, the **Sponsoring Company** may elect to purchase, on behalf of all **Agents**, for an additional premium as set forth in Item 7 of the Declarations, an Optional **Extended Reporting Period** for a period of three (3) years after the date of the **Termination of Coverage** to report to the Company any **Claim** which is first made during said three (3) year period and which arises out of a **Wrongful**

**Act or Wrongful Termination** committed prior to the date of the **Termination of Coverage** and on or after the **Retroactive Date**.

- c. The right to purchase the Optional **Extended Reporting Period** must be exercised by notice in writing not later than sixty (60) days following the date of the **Termination of Coverage**, and must include payment of premium for the applicable Optional **Extended Reporting Period**, as well as payment of all premiums due the Company. If such notice is not so given to the Company, the **Sponsoring Company** shall not be entitled to exercise such right at a later date.

## 2. Individual Agent Extended Reporting Period

- a. Automatic **Extended Reporting Period** Due to Termination of **Agent** Contract.

- (i) Termination of **Agent** for Non-disciplinary Reasons. If, during the **Policy Period**, the **Sponsoring Company** terminates an **Agent's** contract for non-disciplinary reasons, coverage for such **Agent** shall cease as of the date of such termination.

- (a) With respect to all covered products, the **Agent** shall have a period of sixty (60) days after the expiration of the **Policy Period** to report to the Company any **Claim** which is first made during this sixty (60) day period and which arises from a **Wrongful Act** committed on or after the **Retroactive Date** and prior to the expiration of the **Policy Period**.

- (b) With respect to any products issued by the **Sponsoring Company**, the **Agent** shall have a period of one (1) year after the expiration of the **Policy Period** to report to the Company any **Claim** which is first made during this one (1) year period and which arises from a **Wrongful Act** committed on or after the **Retroactive Date** and prior to the expiration of the **Policy Period**.

- (ii) Termination of **Agent** for Disciplinary Reasons. If the **Agent** is terminated for disciplinary reasons, coverage for such **Agent** shall cease upon the date of such termination, and the **Agent** shall not be entitled to any Automatic **Extended Reporting Period**.

- b. Automatic **Extended Reporting Period** Due to Disablement, Retirement, or Death.

If, during the **Policy Period**, an **Agent** retires or becomes disabled or deceased, coverage for such **Agent** shall cease as of the date of such disability or death, provided that the **Agent** or his/her legal representative shall have a period of two (2) years after the date of such disability or death to report to the Company any **Claim** which is first made during this two (2) year period and which arises out of a **Wrongful Act** committed prior to such disability or death and on or after the **Retroactive Date**.

- c. Optional **Extended Reporting Period**.

If, during the **Policy Period**, an **Agent** retires or becomes disabled or deceased, the **Agent** or its legal representative may elect to purchase, for an additional premium as set forth in Item 7 of the Declarations, an Optional **Extended Reporting Period** for a period of (3) years, five (5) years, or for an unlimited amount of time, to report to the Company any **Claim** which is first made during the applicable period and which arises out of a **Wrongful Act** committed prior to such retirement, disability or death and on or after the **Retroactive Date**.

**3. Extended Reporting Periods – Other Terms and Conditions**

- a. Automatic **Extended Reporting Periods** shall not apply to any **Agent** that has any other applicable insurance.
- b. At the commencement of any Optional **Extended Reporting Period**, the entire premium thereafter shall be deemed earned.
- c. If this Policy is extended by virtue of an **Extended Reporting Period**, the Limit of Liability shall be equal to the Limits of Liability set forth in Item 3 of the Declarations.

4. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

**H. Cancellation**

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than ninety (90) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation

However, if this Policy has been in effect for more than 60 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons:

- 1. Non-payment of premium;
- 2. Conviction of a crime arising out of acts increasing the hazard insured against;
- 3. Discovery of fraud or material misrepresentation in obtaining the Policy or in pursuing any **Claim** thereunder;
- 4. Discovery of any willful or reckless act or omission by an **Insured** increasing the hazard insured against;
- 5. A determination by the Commissioner that continuation of the Policy would violate or place the Company in violation of the law;
- 6. Physical changes in the property which increase the hazard insured against;
- 7. A material increase in the hazard insured against; or
- 8. A substantial loss of reinsurance by the Company affecting this particular line of insurance.

The notice shall state the reason for cancellation.

5. The following is added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 90 days before the expiration date of this Policy or the anniversary date of this Policy if this policy has been written for a term of more than one year.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **DELAWARE AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

**H.** This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days, but not more than one hundred twenty (120) days, thereafter (or ten (10) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

2. The following is added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of nonrenewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 60, but not more than 120, days before the expiration date, or the anniversary date if this is a Policy written for a term of more than one year or with no fixed expiration date.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **DISTRICT OF COLUMBIA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

### **H. Cancellation**

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or thirty (30)) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

However, if this Policy has been in effect for more than 30 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 30 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a. A material and willful misstatement or omission of fact the Company or to the Company's employees, agents or brokers in connection with the **Application** to or **Claim** against the Company;
  - b. The transfer of property or other interest, unless the transfer is permitted under the terms of the Policy; or
  - c. The property, interest or use of the property or interest has materially changed with respect to its insurability.

At least five days before sending notice to the **Sponsoring Company**, the Company will notify the **Sponsoring Company** broker who wrote the Policy.

2. The following is added to Section **VIII. GENERAL CONDITIONS**:

### **P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 30 days before the expiration date of the Policy.

At least five days before sending notice to the **Sponsoring Company**, the Company will notify the **Sponsoring Company** broker who wrote the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FLORIDA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

### **H. Cancellation**

1. This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective.

#### **2. Cancellation Of Policies In Effect**

##### **a. For 90 Days Or Less**

If this Policy has been in effect for ninety (90) days or less, the Company may cancel this Policy by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice of cancellation, accompanied by the reasons for cancellation, at least:

- (1) Ten (10) days before the effective date of cancellation if the Company cancels for non-payment of premium; or
- (2) Sixty (60) days before the effective date of cancellation if the Company cancels for any other reason, except the Company may cancel immediately if there has been:
  - (a) A material misstatement or misrepresentation; or
  - (b) A failure to comply with the underwriting requirements established by the Company.

##### **b. For More Than 90 Days**

If this Policy has been in effect for more than ninety (90) days, the Company may cancel this Policy only for one or more of the following reasons:

- (1) Non-payment of premium;
- (2) The Policy was obtained by a material misstatement;
- (3) Failure to comply with underwriting requirements established by the Company within 90 days of the effective date of coverage;
- (4) A substantial change in the risk covered by the Policy; or
- (5) The cancellation is for all **Insureds** under such policies for a given class of **Insureds**.

If the Company cancels this Policy for any of these reasons, the Company will mail to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, accompanied by the reasons for cancellation, at least:

- (a) Ten (10) days before the effective date of cancellation if the Company cancels for non-payment of premium; or
  - (b) Sixty (60) days before the effective date of cancellation if the Company cancels for any of the other reasons stated in Paragraph **H.2.b.**
- 3. Notice of cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.
- 4. If this Policy is cancelled, the Company will send the **Sponsoring Company** any premium refund due. If the Company cancels, the refund will be pro rata. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Payment or tender of unearned premium shall not be a condition of cancellation.

If the return premium is not refunded with the notice of cancellation or when this Policy is returned to the Company, the Company will mail the refund within 15 working days after the date cancellation takes effect, unless this is an audit Policy.

If this is an audit Policy, then, subject to the **Sponsoring Company's** full cooperation with the Company or the Company's agent in securing the necessary data for audit, the Company will return any premium refund due within ninety (90) days of the date cancellation takes effect. If the Company's audit is not completed within this time limitation, then the Company shall accept the **Sponsoring Company's** own audit, and any premium refund due shall be mailed within 10 working days of receipt of the **Sponsoring Company's** audit.

The cancellation will be effective even if the Company has not made or offered a refund.

- 2. The following is added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 45 days before the expiration date of the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

## Florida Policy Table of Contents

- I. INSURING AGREEMENT – Page 1
- II. EXTENSIONS OF COVERAGE – Page 1
  - A. Disciplinary Proceedings – Page 1
  - B. Subpoena Compliance – Page 2
  - C. Privacy Breach – Page 2
- III. DEFINITIONS – Page 2
- IV. EXCLUSIONS – Page 5
- V. REPORTING AND NOTICE – Page 8
  - A. Reporting of Actual Claims – Page 8
  - B. Reporting of Potential Claims – Page 8
  - C. Reporting Requirements of Actual and Potential Claims – Page 8
  - D. Notice – Page 9
- VI. DEFENSE, CONSENT, AND SETTLEMENT – Page 9
- VII. TERRITORY – Page 10
- VIII. GENERAL CONDITIONS – Page 10
  - A. Limits of Liability, Deductible, and Claims First Made – Page 10
  - B. Extended Reporting Periods – Page 11
  - C. Subrogation – Page 12
  - D. Changes in Exposure – Page 13
  - E. Allocation – Page 13
  - F. Reimbursement of the Company – Page 13
  - G. Termination – Page 13
  - H. Cancellation – Page 14
  - I. Sponsoring Company - Sole Agent – Page 14
  - J. Alteration and Assignment – Page 14
  - K. Action Against the Company – Page 14
  - L. Dispute Resolution Process – Page 14

**Florida Policy Table of Contents**

**VII. GENERAL CONDITIONS (continued)**

**M. Changes – Page 15**

**N. Entire Agreement – Page 15**

**O. Titles – Page 15**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **GEORGIA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. **SECTION III. G. DEFINITIONS** is hereby deleted in its entirety and replaced by:

**G. Damages** means a compensatory monetary amount for which an **Insured** may be held legally liable, including judgments, awards, settlements, or punitive, exemplary, and multiplied damages, if and to the extent such damages are insurable under the law of the jurisdiction most favorable to the insurability of such amounts, provided such jurisdiction has a substantial relationship to the **Insured**, the Company, or to the **Claim** giving rise to such damages; and negotiated with the prior approval of the Company, provided that **Damages** shall not include:

1. Any disgorgement, return, withdrawal, restitution or reduction of any sums which are or were in the possession or control of any **Insured**;
2. Any amounts credited to any **Insured's** account;
3. Fines, sanctions, taxes, penalties or awards deemed uninsurable pursuant to any applicable law;
4. Equitable relief, or fees, costs or expenses incurred by an **Insured** to comply with any such equitable relief;
5. Any amounts constituting a waiver of fees, charges, costs or any other monetary amounts the **Sponsoring Company** is contractually entitled to impose upon a client or customer;
6. The collection, payment or return of, or the failure to collect, pay or return, any commission, fee, tax, funds, premium or claim monies;
7. Any disputes involving an **Insured's** client lists, or non-compete or similar agreements; or
8. Any disputes involving an **Insured's** commissions, fees, charges, entitlements or other compensation,

2. The following is added to Section **VIII. GENERAL CONDITIONS**:

**P.** If the Company decides to:

1. Non-renew this Policy;
2. Increase current Policy premium by more than 15% (other than any increase due to change in risk, exposure or experience modification or resulting from an audit of auditable coverages); or
3. Change any Policy provision which would limit or restrict coverage;

Then the Company will mail by registered, certified, or other first class mail written notice of the Company's action (including the dollar amount of any increase in renewal premium of more than 15%) to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 45 days before the expiration date of this Policy if the Company decides to non-renew, increase the premium or limit or restrict coverage.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **IDAHO AMENDATORY ENDORSEMENT**

<p>This endorsement modifies insurance provided under the following: <b>Company Sponsored Insurance Agents Professional Liability Insurance Policy</b></p>
--

In consideration of the premium charged, it is agreed that:

**1. The following is added to paragraph H. Cancellation of Section VIII. GENERAL CONDITIONS:**

However, if this Policy has been in effect for more than 60 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a. Misrepresentation or fraud made by or with knowledge in obtaining the Policy, when renewing the Policy, or in pursuing a **Claim** under the Policy;
  - b. Acts or omissions that substantially change or increase the risk insured;
  - c. Change in the risk which materially increases the risk of **Damages** after the Policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
  - d. Loss of or decrease in reinsurance which provided the Company with coverage for all or part of the risk insured;
  - f. A determination by the Director of Insurance that continuation of this Policy would jeopardize the Company's solvency or place the Company in violation of the insurance laws of Idaho or any other state; or
  - g. Violation or breach by any **Insured** of any Policy terms or conditions other than nonpayment of premium.

**2. The following is added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal**

1. If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 45 days before the expiration or anniversary date of the Policy.
2. If notice is not mailed at least 45 days before the expiration or anniversary date of this Policy, this Policy will remain in effect until 45 days after notice is mailed. Earned premium for the extended period of coverage will be calculated pro rata at the rates applicable to the expiring Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. The term "spouse, anywhere referenced, is defined as spouse or party to a civil union under Illinois Law.
2. Paragraph **E.** of Section **I. INSURING AGREEMENT** is deleted without replacement.
3. Paragraph **A.** of Section **IV. EXCLUSIONS** is deleted and replaced by the following:
  - A.** Any intentional wrongdoing, fraud, dishonesty, or malicious **Wrongful Acts** by an **Insured**, if a judgment or other final adjudication adverse to the **Insured** establishes such conduct, or if the **Insured** admits to such conduct.
4. Item **a.(ii)** of Section **VIII. GENERAL CONDITIONS**, Paragraph **B. Extended Reporting Periods**, Sub-paragraph **1. Group Extended Reporting Period** is deleted and replaced by the following:
  - b.** Optional Extended Reporting Period.

In the event of cancellation or non-renewal of this Policy by the Company or by the **Sponsoring Company**, the **Sponsoring Company** may elect to purchase, on behalf of all **Agents**, for an additional premium as set forth in Item 7 of the Declarations, an Optional **Extended Reporting Period** for a period of three (3) years after the date of such cancellation or non-renewal to report to the Company any **Claim** which is first made during said three (3) year period and which arises out of a **Wrongful Act** or **Wrongful Termination** committed prior to cancellation or non-renewal and on or after the **Retroactive Date**.

5. Item **a.** of Section **VIII. GENERAL CONDITIONS**, Paragraph **B. Extended Reporting Periods**, Sub-paragraph **2. Individual Agent Extended Reporting Period** is deleted and replaced by the following:
  - a.** Automatic **Extended Reporting Period** Due to Termination of **Agent** Contract.
    - (i)** Termination of **Agent** for Non-disciplinary Reasons. If, during the **Policy Period**, the **Sponsoring Company** terminates an **Agent's** contract for non-disciplinary reasons, coverage for such **Agent** shall cease as of the date of such termination.
    - (a)** With respect to all covered products, the **Agent** shall have a period of sixty (60) days after the expiration of the **Policy Period** to report to the Company any **Claim** which is first made during this sixty (60) day period and which arises from a **Wrongful Act** committed on or after the **Retroactive Date** and prior to the expiration of the **Policy Period**. Additionally, the **Agent** shall be entitled to an Optional **Extended Reporting Period** for one (1) year for such covered products.

(b) With respect to any products issued by the **Sponsoring Company**, the **Agent** shall have a period of one (1) year after the expiration of the **Policy Period** to report to the Company any **Claim** which is first made during this one (1) year period and which arises from a **Wrongful Act** committed on or after the **Retroactive Date** and prior to the expiration of the **Policy Period**.

(ii) Termination of **Agent** for Disciplinary Reasons. If the **Agent** is terminated for disciplinary reasons, the **Agent** shall be entitled to an Optional **Extended Reporting Period** for one (1) year.

6. Paragraph **G. Termination** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

**G. Termination**

This Policy shall terminate at the earliest of the following event:

1. Upon expiration of the **Policy Period** set forth in Item 2 of the Declarations, or the effective date of cancellation, if earlier;
2. Ten (10) days after receipt by the **Sponsoring Company**, any applicable **Agent(s)**, and the **Sponsoring Company's** broker, written notice of cancellation from the Company for failure to pay a premium due; or
3. As to an **Agent**, upon termination of an **Agent** contract.

7. Paragraph **A. Limits of Liability, Deductible, and Claims First Made**, subparagraph **1.c.** of Section **VIII. GENERAL CONDITIONS** is deleted in its entirety.

8. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

**H. Cancellation**

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** last known address, any applicable **Agent(s)**, and to the **Sponsoring Company's** broker, written notice stating when, not less than sixty (60) days thereafter (or ten (10) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The Company shall maintain proof of mailing of such written notice on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

However, if this Policy has been in effect for more than 60 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the the last known address, any applicable **Agent(s)**, and to the **Sponsoring Company's** broker, at least:

1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a. Fraud or material misrepresentation made in obtaining the Policy, continuing the Policy or, or in pursuing a **Claim** under the Policy;
  - b. Any **Insured** violated any terms and conditions of the Policy;
  - c. The risk originally accepted has measurably increased;
  - d. The company certifies to the Director of the loss of reinsurance for all or a substantial part of the underlying risk; or
  - e. The Director determines that continuation of the policy could place the Company in violation of Illinois insurance laws.

The notice shall state the reason for cancellation.

9. The following are added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the last known address, any applicable **Agent(s)**, and to the **Sponsoring Company's** broker, at least 60 days before the expiration date of this Policy or the anniversary date of this Policy if this policy has been written for a term of more than one year.

The notice shall state the reason for non-renewal.

**Q. Bankruptcy**

Neither bankruptcy nor insolvency of the **Insured** shall relieve the Company of any of its obligations under this Policy.

**R. Other Insurance**

If there is another policy or policies which provide insurance for a **Wrongful Act** covered under this policy, then this policy will pay its proportionate share, subject to the limits of liability.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **INDIANA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following is added to paragraph H. Cancellation of Section VIII. GENERAL CONDITIONS:**

However, if this Policy has been in effect for more than 90 days, or is a renewal of a Policy that the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

- 1.** 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
- 2.** 60 days before the effective date of cancellation due to:
  - a.** Fraud or material misrepresentation;
  - b.** A substantial change in the scale of risk covered by this Policy;
  - c.** Reinsurance of the risk associated with this Policy has been cancelled; or
  - d.** Failure with reasonable safety recommendations.

**2. The following is added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of nonrenewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 45 days before:

- 1.** The expiration date of this Policy, if the policy is written for a term of one year or less; or
- 2.** The anniversary date of this Policy, if the policy is written for a term of more than one year.

**Q.** Notice given by or on behalf of the **Sponsoring Company** to any of the Company's authorized agents in Indiana, with particulars sufficient to identify the **Sponsoring Company**, shall be considered to be notice to the Company.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **IOWA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following is added to paragraph H. Cancellation of Section VIII. GENERAL CONDITIONS:**

However, if this Policy has been in effect for more than 60 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

- 1.** 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
- 2.** 60 days before the effective date of cancellation due to:
  - a.** Misrepresentation or fraud made by or with knowledge in obtaining the Policy, when renewing the Policy, or in pursuing a **Claim** under the Policy;
  - b.** Acts or omissions that substantially change or increase the risk insured;
  - c.** Determination by the Commissioner that the continuation of the Policy would jeopardize our solvency or would place us in violation of the insurance laws of this or any other state;
  - d.** The **Insured** acts in a manner known or should have known to be in violation or breach of a Policy term or condition; or
  - e.** Loss of reinsurance which provides coverage to the Company for a significant portion of the underlying risk insured, but only if the Commissioner determines that such cancellation is justified.

**2. The following is added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 45 days before the expiration date of the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **KANSAS AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following is added to paragraph H. Cancellation of Section VIII. GENERAL CONDITIONS:**

However, if this Policy has been in effect for more than 90 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

- 1.** 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
- 2.** 60 days before the effective date of cancellation due to:
  - a.** Misrepresentation or fraud made by or with knowledge in obtaining the Policy, when renewing the Policy, or in pursuing a **Claim** under the Policy;
  - b.** Any **Insured** has violated any of the material terms and conditions of the Policy;
  - c.** Unfavorable underwriting factors exist that were not present at the inception of the Policy;
  - d.** A determination by the insurance commissioner that continuation of this Policy could jeopardize the Company's solvency or place the Company in violation of the laws of Kansas; or
  - e.** A determination by the insurance commissioner that the Company no longer has adequate reinsurance to meet the Company's needs.

The notice shall state the reason for cancellation.

**2. The following is added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 60 days before the expiration or anniversary date of the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **KENTUCKY AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

### **H. Cancellation**

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or fourteen (14)) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

However, if this Policy has been in effect for more than 60 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 14 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 75 days before the effective date of cancellation due to:
  - a. Discovery of fraud or material misrepresentation in obtaining this Policy or in the presentation of a **Claim** under this Policy;
  - b. Discovery of acts or omissions which increase any hazard insured against;
  - c. The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
  - d. A violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against;
  - e. The Company is unable to reinsure the risk covered by the Policy; or
  - f A determination by the commissioner that the continuation of the Policy would jeopardize the Company's solvency or would place the Company in violation of the Kentucky insurance code or regulations of the commissioner.



2. The following is added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 75 days before the expiration date of the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LOUISIANA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Item **5.** of Paragraph **K. Insured** of Section III. **DEFINITIONS** is deleted and replaced by the following:
  5. The lawful spouse of any individual which qualifies as an **Insured** under Sub-sections **1., 3.,** or **4.,** above, for a **Claim** arising solely out of spousal status, and not out of any alleged independent **Wrongful Acts**, of such individual; or
2. Paragraph **A. Reporting of Actual Claims** of Section V. **REPORTING AND NOTICE** is deleted and replaced by the following:

**A. Reporting of Actual Claims**

In the event of a **Claim**, the **Insured** shall, as a condition to exercising any right to coverage afforded by this Policy, forward to the Company, as soon as practicable, every demand, notice, summons and/or pleading received by such **Insured**.
3. Paragraphs **A.** and **C.** of Section VI. **DEFENSE, CONSENT, AND SETTLEMENT** are deleted and replaced by the following:
  - A.** The Company has the sole right to appoint defense counsel and the right and duty to defend any **Claim** covered by this Policy, made against an **Insured**, as set forth in Section III. **K. 1., 2., 3., 4.** and **5. DEFINITIONS.**
  - C. Reporting of Actual Claims**

As a condition to exercising any right to coverage afforded by this Policy, the **Insured** agrees not to settle or offer to settle any **Claim**, incur any **Claims Expenses** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's prior written consent. The Company shall not be liable for any element of **Damages** incurred, for any obligation assumed, or for any admission made, by any **Insured** without the Company's prior written consent.

4. Paragraph **C. Subrogation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

**C. Subrogation**

In the event of any payment under this Policy, the Company shall be subrogated to all of the **Insured's** rights of recovery against any person or organization to the extent of those payments, and the **Insured** shall execute and deliver instruments and papers required, and shall do everything necessary to preserve and secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit or otherwise pursue subrogation rights in the name of the **Insured**. The **Insured** shall do nothing to prejudice such rights.

Any amount so recovered shall be apportioned as follows: Any recovery shall first be used for the repayment of expenses incurred toward subrogation; second, to any **Claims Expenses** and/or **Damages** paid by the **Insured** in excess of any deductible; third, to repayment of the **Insured's** deductible; fourth, to any claims expenses and/or damages payments by an excess carrier on behalf of the **Insured**; and last, to any claims expenses and/or damages payments by any primary carrier on behalf of the **Insured**.

5. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

**H. Cancellation**

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or ten (10) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the refund will not be less than 90% of the pro rata unearned premium, rounded to the next higher whole dollar. Premium adjustments and returns shall be made within 30 days after the effective date of cancellation. Payment or tender of unearned premium shall not be a condition of cancellation.

However, if this Policy has been in effect for 60 or more days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a. Fraud or material misrepresentation made in obtaining the Policy, continuing the Policy or, in pursuing a **Claim** under the Policy;

- b. Activities or omission by any **Insured** which change or increase any hazard insured against;
  - c. Change in the risk which increases the risk of **Damages** after the Company issued or renewed the Policy, including an increase in exposure due to regulation, legislation, or court decision;
  - d. Determination by the Commissioner of Insurance that the continuation of this Policy would jeopardize the Company's solvency or would place the Company in violation of the insurance laws of this or any other state;
  - f. Any **Insured's** violation or breach of any Policy terms or conditions; or
  - g. Any other reasons that are approved by the Commissioner of Insurance. The notice will state the reason for cancellation.
6. Paragraph **K. Action Against the Company** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

**K. Action Against the Company**

A person or entity may take action against the Company including, but not limited to, any action against any **Insured** to recover on an agreed settlement or final judgment against the **Insured**; but the Company will not be liable for **Damages** that are not payable under the terms of this Policy or that are in excess of the applicable Limits of Liability. An agreed settlement means a settlement and release of liability signed by the Company, the **Insured** and the claimant or the claimant's legal representative.

7. The following are added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 60 days before the expiration date of this Policy or the anniversary date of this Policy if this policy has been written for a term of more than one year.

**Q. Bankruptcy**

Neither bankruptcy nor insolvency of the **Insured** shall relieve the Company of any of its obligations under this Policy

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MAINE AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Item **c.** of Section **VIII. GENERAL CONDITIONS**, Paragraph **B. Extended Reporting Periods**, Sub-paragraph **3. Extended Reporting Periods – Other Terms and Conditions** is deleted and replaced by the following:
  - c.** If this Policy is extended by virtue of an **Extended Reporting Period**, the Limit of Liability shall be equal to the Limits of Liability set forth in Item 3 of the Declarations.
2. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

### **H. Cancellation**

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, or certified mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or ten (10) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. A post office certificate of mailing to the **Sponsoring Company's** last known address as set forth in Item 1 of the Declarations will be conclusive proof of receipt of notice on the 3<sup>rd</sup> calendar day after mailing. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

However, if this Policy has been in effect for more than 60 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a.** Fraud or material misrepresentation made in obtaining the Policy, continuing the Policy or, or in pursuing a **Claim** under the Policy;
  - b.** Substantial change in the risk which increases the risk of loss after insurance coverage has been issued or renewed, including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
  - c.** Failure to comply with reasonable loss control recommendations;
  - d.** Substantial breach of contractual duties, conditions or warranties; or

- e. Determination by the Superintendent of Insurance that the continuation of a class or block of business to which the Policy belongs will jeopardize the Company's solvency or will place the Company in violation of the insurance laws of Maine or any other state.

The notice shall state the reason for cancellation.

3. The following are added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 30 days before the expiration or anniversary date of the Policy.

**Q. Post-Judgment Interest**

The Company will pay interest accruing after a judgment is entered in accordance with Maine law. The Company's duty to pay interest ends when the Company pays, offers to pay or deposit in court that part of the judgment which does not exceed the Limits of Liability for which coverage is provided under this Policy. This payment will not reduce the Limits of Liability for which coverage is provided under this Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MARYLAND AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Section **VIII. GENERAL CONDITIONS**, Paragraph H. Cancellation, is deleted in its entirety and replaced by the following:

### **H. Cancellation and Non-renewal**

1. The **Sponsoring Company** may cancel this Policy by mailing or delivering to the Company written notice of cancellation.
2. The Insurer may cancel this Coverage Part by mailing to the **Sponsoring Company**, at the last mailing address known to the Insurer, written notice of cancellation, stating the reason for cancellation, at least:
  - a. 10 days before the effective date of cancellation if the Insurer cancels for nonpayment of premium.
  - b. 15 days before the effective date of cancellation if the Insurer cancels for any reason other than nonpayment of premium, if this Policy:
    - (i) Is not a renewal of a policy the Company issued; and
    - (ii) Has been in effect for 45 days or less.
  - c. 45 days before the effective date of cancellation if the Company cancels for any reason other than nonpayment of premium, if this Policy:
    - (i) Is a renewal of a policy the Company issued; or
    - (ii) Has been in effect for more than 45 days.

If the Insurer cancels pursuant to Paragraph c., the **Sponsoring Company** may request additional information on the reason for cancellation within 30 days from the date of the Company's notice.

3. Notice of cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.
4. If this Policy is cancelled, the Company will send the **Sponsoring Company** any premium refund due.

If the Company cancels, the refund will be pro rata. If the **Sponsoring Company** cancels, the refund will be calculated as follows:

#### **a. Policies Written For One Year Or Less**

The Company will refund 90% of the pro rata unearned premium.

#### **b. Policies Written For More Than One Year**

- (i) If the Policy is cancelled in the first year, the Company will refund 90% of the pro rata unearned premium for the first year, plus the full annual premium for subsequent years.

- (ii) If the Policy is cancelled after the first year, the Company will refund the pro rata unearned premium.

**c. Continuous And Annual Premium Payment Policies**

The Company will refund 90% of the pro rata unearned premium for the year in which the policy is cancelled.

The cancellation will be effective even if the Company has not made or offered a refund.

5. The Company will send notice to the **Sponsoring Company** by certificate of mail. The Company will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or by other commercial mail delivery service when such service is used. Proof of mailing will be sufficient proof of notice.
6. The Company may elect not to renew this Policy by mailing notice of non-renewal to the **Sponsoring Company** at the last mailing address known to the Insurer at least 45 days before the expiration date of this Policy.
7. The Company will send notice of non-renewal to the **Sponsoring Company** by certificate of mail or by commercial mail delivery service. The Company will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or by other commercial mail delivery service when such service is used. Proof of mailing will be sufficient proof of notice.
8. When the Company elects not to renew a policy that has been in effect for more than 45 days for a reason other than nonpayment of premium, the Company will provide a written statement of the actual reason for the refusal to renew. The **Sponsoring Company** may request additional information within 30 days from the date of the Company's notice.
9. If the Company offers to renew at least 45 days before the renewal date and the **Sponsoring Company** fails to make the required premium payment by the renewal date, the Policy will terminate on the renewal date for nonpayment of premium.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MASSACHUSETTS AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Sub-paragraph **b. Optional Extended Reporting Period** of Paragraph **B. Extended Reporting Periods**, **1. Group Extended Reporting Period** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

- b. Optional Extended Reporting Period**

In the event of cancellation or non-renewal of this Policy by the Company, the **Sponsoring Company** may elect to purchase, on behalf of all **Agents**, for an additional premium as set forth in Item 7 of the Declarations, an Optional **Extended Reporting Period** for a period of three (3) years after the date of such cancellation or non-renewal to report to the Company any **Claim** which is first made during said three (3) year period and which arises out of a **Wrongful Act** or **Wrongful Termination** committed prior to cancellation or non-renewal and on or after the **Retroactive Date**.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MICHIGAN AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following are added to Section V. REPORTING AND NOTICE:**

- E.** Notice given by or on behalf of the **Insured** to the Company's authorized agent, with particulars sufficient to identify the **Insured**, shall be considered notice to the Company.
- F.** Failure to give any notice required by this condition within the time period specified shall not invalidate any **Claim** made by the **Insured** if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

**2. Paragraph H. Cancellation of Section VIII. GENERAL CONDITIONS is deleted and replaced by the following:**

**H. Cancellation**

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company or the Company's agent stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or ten (10) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

**3. The following is added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 30 days before the expiration date of the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MINNESOTA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **E. Claims Expenses** of Section **III. DEFINITIONS** is deleted in its entirety and replaced by the following:

**Claims Expenses** means reasonable and necessary fees, costs and expenses incurred by the Company, or by the **Insured** with the prior written consent of the Company, consisting of fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, including the cost of appeal bonds, however, the Company shall not be obligated to apply for or furnish appeal bonds. **Claims Expenses** shall also include the **Insured's** share of the costs, disbursements, and prejudgment interest, as defined under section 549.09 of the Minnesota Statutes, included in any judgment against an **Insured**; provided that if such costs, disbursements and prejudgment interest when added to the principal judgment exceed the limit of liability, such costs, disbursements and prejudgment interest shall be in excess of the applicable policy limits.

**Claims Expenses** do not include salary charges, wages or expenses of partners, principals, officers, directors, members or employees of the **Insured** or the Company.

2. Paragraphs **A. Reporting of Actual Claims**, **B. Reporting of Potential Claims**, and **C. Reporting Requirements of Actual and Potential Claims** of Section **V. REPORTING AND NOTICE** are hereby deleted in its entirety and replaced with the following:

### **A. Reporting of Actual Claims**

In the event of a **Claim**, the **Insured** shall, as a condition precedent to exercising any right to coverage afforded by this Policy, forward to the Company orally or in writing, as soon as practicable, every demand, notice, summons and/or pleading received by such **Insured**. Notification of a **Claim** to an agent of the Company is notice to the Company.

### **B. Reporting of Potential Claims**

If, during the **Policy Period**, or any **Extended Reporting Period**, if exercised, an **Insured** first becomes aware of a **Wrongful Act** which might reasonably be expected to give rise to a **Claim**, and during the **Policy Period** gives written notice to the Company orally or in writing of such **Wrongful Act** as required below, then any **Claim** subsequently made against the **Insured** arising from such **Wrongful Act** or **Interrelated Wrongful Act** shall be deemed to have been first made during the **Policy Period**.

### **C. Reporting Requirements of Actual and Potential Claims**

Written or Oral report of a **Claim** and a potential **Claim** must include:

1. The specific facts and circumstances which constitute the **Wrongful Act**, including the date(s) thereof, and the **Insured** and clients involved;
2. The date and circumstances by which the **Insured** became aware of such **Wrongful Act**; and
3. The **Damages** that may reasonably result therefrom.

3. Paragraph **A.3. Claims First Made** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

3. **Claims** will be deemed to have been made at the earlier of the following times:

- a. When notice of such **Claims**, after being received by the **Insured**, is reported to the Company or an agent of the Company, orally or in writing; or
- b. When **Claims** against the **Insured** is made directly to the Company in writing.

**Claims** received by the **Insured** during the **Policy Period** and reported to the Company or an agent of the Company, within sixty (60) days after the end of the **Policy Period** will be considered to have been reported within the **Policy Period**. However, this sixty (60) day grace period does not apply to **Claims** that are covered under any applicable Extended Reporting Period or any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such **Claims**.

4. The following is added to Paragraph **C. Subrogation** of Section **VIII. GENERAL CONDITIONS**:

The Company's subrogation rights do not apply against any person or organization insured under this or any other policy the Company issues with respect to the same **Wrongful Act**.

5. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is hereby deleted in its entirety and replaced with the following:

**H. Cancellation/Non-Renewal**

1. This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or any of its authorized representatives, or by giving written notice to the Company or any of its authorized representatives, stating when thereafter such cancellation shall be effective. The Company shall retain the pro-rata proportion of the premium hereon. In no event may the requested date of cancellation be greater than ten (10) days prior to the request is received by the Company.
2. If this Policy has been in effect for less than ninety (90) days, the Company may cancel for any reason by mailing to the **Sponsoring Company** at least:
  - a. twenty (20) days before the effective date of cancellation, if the company cancels for nonpayment of premium; or
  - b. thirty (30) days before the effective date of cancellation, if the Company cancels for any other reason.

at the address identified in Item 1. of the Declarations. Such notice shall state the reason for cancellation and if applicable be accompanied by a refund of any unearned premium, except for a premium that has been financed.

3. If the Policy has been in effect for ninety (90) or more days, or is a renewal of a Policy the Company issued, the Company may cancel solely for the following reasons:
  - a. Nonpayment of premium;
  - b. Material misrepresentation, material omission, or fraud made by the **Insured** or with the **Insured's** knowledge in obtaining the Policy or in pursuing a claim under the Policy;
  - c. An act or omission by the **Sponsoring Company** that substantially increases or changes the risk insured;
  - d. Refusal by the **Sponsoring Company** to eliminate known conditions that increase the potential for loss after notification by the Company that the condition must be removed;

- e. Substantial change in the risk assumed, except to the extent that the Company should reasonably have foreseen the change or contemplated the risk in writing the contract;
- f. Loss of reinsurance by the Company which provided coverage to the Company for a significant amount of the underlying risk insured. Any notice of cancellation pursuant to this item shall advise the policyholder that he or she has 10 days from the date of receipt of the notice to appeal the cancellation to the commissioner of commerce and that the commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within 30 business days after receipt of the appeal; or
- g. A determination by the commissioner that the continuation of the Policy could place the Company in violation of the Minnesota insurance laws.

If the Company cancels subject to **3.a.** through **3.gd.** above, the Company shall mail written notice of cancellation by certified mail to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, and mail to the producer of record, if any. Written notice of cancellation shall take effect fifteen (15) days from the date of mailing for non-payment of premium. If the Company cancels for nonpayment of premium, the cancellation notice shall contain the information regarding the amount of premium due and the due date and shall state the effect of nonpayment by the due date. Cancellation shall not be effective if payment of the amount due is made prior to the effective date of cancellation. If the Company cancels the policy subject to 3.a. through 3.g. above, the Company will give notice at least sixty (60) days before the effective date of cancellation.

- 4. Notice of cancellation shall state the effective date of cancellation. The **Policy Period** shall end on that date.
- 5. If notice is mailed, proof of mailing shall be sufficient proof of notice.
- 6. If coverage is cancelled, the Company will send the **Sponsoring Company** any premium refund due. If the Company cancels, the refund will be pro rata. If the **Sponsoring Company** cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- 7. If the Company decides not to renew this coverage, the Company may do so by giving the **Sponsoring Company** and any agent of the Company, written notice of our intent not to renew at least 60 days before the expiration date of this policy. Such notice will be delivered or mailed by first class mail at the address identified in Item 1. of the Declarations. Proof of mailing of any notice shall be sufficient proof of notice.
- 8. The Company shall not send the **Sponsoring Company** named in Item 1. of the Declarations notice of non-renewal or conditional renewal if such **Sponsoring Company**, the producer of record, or another insurer of the **Sponsoring Company** named in Item 1. of the Declarations mails or delivers notice that the **Sponsoring Company** has:
  - a. Insured elsewhere;
  - b. Accepted replacement coverage; or
  - c. Agreed not to renew this Policy.

6. Subparagraph **B.1.b. Optional Extended Reporting Period** of Section **VIII. GENERAL CONDITIONS** is hereby deleted in its entirety and replaced with the following:

**b. Optional Extended Reporting Period**

In the event of cancellation or non-renewal of this Policy by the Company, for reasons other than nonpayment of any applicable deductible or non-payment of premium, the **Sponsoring Company** may elect to purchase, on behalf of all **Agents**, for an additional premium as set forth in Item 7 of the Declarations, an Optional **Extended Reporting Period** for a period of three (3) years after the date of such cancellation or non-renewal to report to the Company any **Claim** which is first made during said three (3) year period and which arises out of a **Wrongful Act** or **Wrongful Termination** committed prior to cancellation or non-renewal and on or after the **Retroactive Date**.

7. The following is added to Section **VIII. GENERAL CONDITIONS** and supersedes anything to the contrary:

**P. Bankruptcy**

Bankruptcy, insolvency or dissolution of the **Insured** or of the **Insured's** estate will not relieve the Company of obligations under this policy, and in case an execution against the **Insured** on a final judgment is returned unsatisfied, then such judgment creditor shall have a right of action on this policy against the Company to the same extent that the **Insured** would have, had the **Insured** paid the final judgment.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**MINNESOTA NOTICE OF POLICYHOLDER RIGHTS IN AN INSOLVENCY UNDER THE  
MINNESOTA INSURANCE GUARANTY ASSOCIATION LAW**

**NOTICE CONCERNING POLICYHOLDER RIGHTS IN INSOLVENCY UNDER THE  
MINNESOTA INSURANCE GUARANTY ASSOCIATION LAW**

The financial strength of your insurer is one of the most important things for you to consider when determining from whom to purchase a property or liability insurance policy. It is your best assurance that you will receive the protection for which you purchased the policy. If your insurer becomes insolvent, you may have protection from the Minnesota Insurance Guaranty Association as described below but to the extent that your policy is not protected by the Minnesota Insurance Guaranty Association or if it exceeds the guaranty association's limits, you will only have the assets, if any, of the insolvent insurer to satisfy your claim.

Residents of Minnesota who purchase property and casualty or liability insurance from insurance companies licensed to do business in Minnesota are protected, SUBJECT TO LIMITS AND EXCLUSIONS, in the event the insurer becomes insolvent. This protection is provided by the Minnesota Insurance Guaranty Association.

Minnesota Insurance Guaranty Association  
7600 Parklawn Ave # 460  
Edina, MN 55435-5137  
(952) 831-1908

The maximum amount that the Minnesota Insurance Guaranty Association will pay in regard to a claim under all policies issued by the same insurer is limited to \$300,000. This limit does not apply to workers' compensation insurance. Protection by the guaranty association is subject to other substantial limitations and exclusions. If your claim exceeds the guaranty association's limits, you may still recover a part or all of that amount from the proceeds of the liquidation of the insolvent insurer, if any exist. Funds to pay claims may not be immediately available. The guaranty association assesses insurers licensed to sell property and casualty or liability insurance in Minnesota after the insolvency occurs. Claims are paid from the assessment.

**THE PROTECTION PROVIDED BY THE GUARANTY ASSOCIATION IS NOT A  
SUBSTITUTE FOR USING CARE IN SELECTING INSURANCE COMPANIES THAT  
ARE WELL MANAGED AND FINANCIALLY STABLE. IN SELECTING AN INSURANCE  
COMPANY OR POLICY, YOU SHOULD NOT RELY ON PROTECTION BY THE  
GUARANTY ASSOCIATION.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MISSISSIPPI AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **L. Dispute Resolution Process** of Section **VIII. GENERAL CONDITIONS** is deleted in its entirety and replaced by the following:

**L. Dispute Resolution Process**

In the event a dispute arises out of this Policy, the Company and the **Insured** shall participate in a non-binding mediation. The parties shall share costs, but bear their own legal fees and expenses.

2. The following is added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least:

1. 10 days before the effective date of nonrenewal, if the non-renewal is due to non-payment of premium; or
2. 30 days before an anniversary date or the expiration date of the Policy, if the non-renewal is for any other reason.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MISSOURI AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following are added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 60 days before the expiration date or anniversary date of the Policy. The notice will state the actual reason for non-renewal.

**Q. Missouri Property and Casualty Insurance Guaranty Association Coverage Limitations**

1. Subject to the provisions of the Missouri Property and Casualty Insurance Guaranty Association Act (to be referred to as the Act), if the insurer is a member of the Missouri Property And Casualty Insurance Guaranty Association (to be referred to as the Association), the Association will pay **Claims** covered under the Act if the insurer becomes insolvent.
2. The Act contains various exclusions, conditions and limitations that govern a claimant's eligibility to collect payment from the Association and affect the amount of any payment. The following limitations apply subject to all other provisions of the Act:
  - a. **Claims** covered by the Association do not include a **Claim** by or against an insured of an insolvent insurer, if the insured has a net worth of more than \$25 million on the later of the end of the insured's most recent fiscal year or the December thirty-first of the year next preceding the date the insurer becomes insolvent; provided that an insured's net worth on such date shall be deemed to include the aggregate net worth of the insured and all of its affiliates as calculated on a consolidated basis.
  - b. Payments made by the Association for covered **Claims** will include only that amount of each **Claim** which is less than \$300,000.

However, the Association will not:

- (1) Pay an amount in excess of the applicable limit of insurance of the Policy from which a **Claim** arises; or
- (2) Return to an insured any unearned premium in excess of \$25,000.

These limitations have no effect on the coverage we will provide under this Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **MONTANA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **A.1.e. Limits of Liability** of Section **VIII. GENERAL CONDITIONS** is deleted in its entirety.
2. Paragraph **B.3.b. Extended Reporting Period – Other Terms and Conditions** of Section **VIII. GENERAL CONDITIONS** is deleted in its entirety.
3. Paragraph **D. Changes in Exposure** of Section **VIII. GENERAL CONDITIONS** is deleted in its entirety and replaced by the following:

If during the **Policy Period**, the **Sponsoring Company** consolidates with, or merges into, or sells all or substantially all of its assets to any other entity; or if the **Sponsoring Company** acquires a controlling ownership interest in any other entity; or if another entity acquires a controlling ownership interest in the **Sponsoring Company**, then this Policy shall continue in full force and effect as to **Wrongful Acts** committed prior to the effective date of such event. The **Sponsoring Company** shall give the Company written notice of any such event as soon as practicable prior to the effective date of such event.

If an entity ceases to be a subsidiary of the **Sponsoring Company**, coverage with respect to such subsidiary shall continue until the termination of the Policy, but only with respect to **Wrongful Acts** committed prior to the date the entity ceased being a subsidiary.

4. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted in its entirety and replaced by the following:

### **H. Cancellation**

1. This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. If this Policy is cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon.

2. **Midterm Cancellation**

This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or ten (10) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy is cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon.

However, if this Policy has been in effect for 60 days or more, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

- a. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
- b. 60 days before the effective date of cancellation due to:
  - (1) Material misrepresentation;
  - (2) Substantial change in the risk assumed, except to the extent that the Company should reasonably have foreseen the change or contemplated the risk in writing the contract;
  - (4) Substantial breaches of contractual duties, conditions or warranties;
  - (5) Determination by the Commissioner of Insurance that continuation of the Policy would place the Company in violation of the Montana Insurance Code;
  - (6) Financial impairment of the Company; or
  - (7) Such other reason(s) approved by the Commissioner of Insurance.

### 3. Anniversary Cancellation

The Company may cancel any policy with a term of more than one year by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice of cancellation at least 45 days before the anniversary date of the policy. Such cancellation will be effective on the policy's anniversary date.

Premium adjustments and returns, as described in Paragraphs **H.1. – 3.** above, shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

### 5. The following are added to Section **VIII. GENERAL CONDITIONS**:

#### **P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 45 days before the expiration date or anniversary date of the Policy.

#### **Q. Conformity With Montana Statutes**

The provisions of this Policy conform to the minimum requirements of Montana law and control over any conflicting statutes of any state in which the **Sponsoring Company** is located on or after the effective date of this Policy. Any provision of this Policy (including endorsements which modify the Policy) that does not conform to the minimum requirements of a Montana statute is amended to conform to such statute.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEBRASKA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. **SECTION VIII. GENERAL CONDITIONS** paragraph **H. Cancellation** is deleted in its entirety and replaced by the following:
  - A. The **Sponsored Company** set forth in Item 1 of the Declarations may cancel this Policy by mailing or delivering to the Company advance written notice of cancellation.
  - B. **Cancellation Of Policies In Effect**
    1. **60 Days Or Less**

If this Policy has been in effect for 60 days or less, the Company may cancel this Policy for any reason.
    2. **More Than 60 Days**

If this Policy has been in effect for more than 60 days or if this is a renewal of a policy the Company issued, the Company may cancel this Policy only for one or more of the following reasons:

      - a. Non-payment of premium;
      - b. The Policy was obtained through material misrepresentation;
      - c. Any **Insured** has submitted a fraudulent claim;
      - d. Any **Insured** has violated the terms and conditions of this Policy;
      - e. The risk originally accepted has substantially increased;
      - f. Certification to the Director of Insurance of the Company's loss of reinsurance which provided coverage to the Company for all or a substantial part of the underlying risk insured; or
      - g. The determination by the Director of Insurance that the continuation of the Policy could place the Company in violation of the Nebraska Insurance Laws.
3. If the Company cancels this Policy subject to **B.1.** or **B.2.** above, the Company will mail to the **Sponsored Company** set forth in Item 1 of the Declarations, a written notice of cancellation, stating the reasons for cancellation, at least:
  - a. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
  - b. 60 days before the effective date of cancellation if the Company cancels for any other reason.
- C. The Company will mail notice by first class mail to the **Sponsored Company's** last known mailing address. A United States Postal Service Certificate of Mailing shall be sufficient proof of receipt of notice on the third calendar day after the date of the certificate of mailing.
- D. Notice of cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.

- E.** If this Policy is cancelled, the Company will send the **Sponsored Company** any premium refund due. If the Company cancels, the refund will be pro rata. If the **Sponsored Company** cancels, the refund may be less than pro rata. The cancellation will be effective even if the Company has not made or offered a refund.
- F.** If the Company decides not to renew this Policy, the Company will mail written notice of non-renewal, stating the reasons for non-renewal, to the **Sponsored Company**, at least 60 days prior to the expiration date of this Policy.
- G.** Any notice of non-renewal will be mailed by first class mail to the **Sponsored Company's** last known mailing address. A United States Postal Service Certificate of Mailing shall be sufficient proof of receipt of notice on the third calendar day after the date of the certificate of mailing.

**2. SECTION VIII. GENERAL CONDITIONS** is amended to include the following:

**BANKRUPTCY**

- A.** Neither bankruptcy nor insolvency of the Insured or the Insured's estate shall relieve the Company of any of its obligations under this Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEVADA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **J.** of Section **IV. EXCLUSIONS** is deleted in its entirety without replacement.
2. The following are added to Section **VIII. GENERAL CONDITIONS**:

**P. Cancellation Of Policy On Other Than Annual Term**

**1. Midterm Cancellation**

If this Policy has been in effect for more than 70 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

- a. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
- b. 60 days before the effective date of cancellation due to:
  - (1) Conviction of a crime arising out of acts increasing the hazard insured against;
  - (2) Discovery of fraud or material misrepresentation in obtaining the Policy or in pursuing a **Claim** thereunder;
  - (3) Discovery of an act or omission or a violation of any condition of the Policy which occurred after the first effective date of the current Policy, and substantially and materially increases the hazard insured against;
  - (4) A material change in the nature or extent of the risk, occurring after the first effective date of the current Policy, which causes the risk of **Damages** to be substantially and materially increased beyond that contemplated at the time the Policy was issued or last renewed;
  - (5) A determination by the commissioner that continuation of our present volume of premiums would jeopardize our solvency or be hazardous to the interests of our policyholders, creditors or the public; or
  - (6) A determination by the commissioner that the continuation of the Policy would violate, or place us in violation of, any provision of the code.

## 2. Anniversary Collection

If this Policy is written for a term longer than one year, the Company may cancel for any reason at an anniversary by mailing or delivering written notice of to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations at least 60 days before the anniversary date.

## Q. Non-renewal

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 60 days before the expiration date of the Policy.

## R. Notices

1. Notice of cancellation or nonrenewal will state the reason for cancellation or nonrenewal.
2. The Company will also provide a copy of the notice of cancellation, for both policies in effect less than 70 days and policies in effect 70 days or more, to the agent who wrote the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW HAMPSHIRE AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Sub-paragraph 1. of Section V. **REPORTING AND NOTICE**, Paragraph D. **Notice** is deleted and replaced by the following:

1. Notice shall be forwarded to:

Lancer Claims Services  
681 South Parker Street, Suite 300  
Orange, CA 92868  
Attention: Financial Services Professional Liability Claims Department  
E-mail: [Firstreports@lancerclaims.com](mailto:Firstreports@lancerclaims.com)  
Toll Free Telephone Number: 1-800-821-0540

All other notices under the **Agent's** Policy shall be given to:

Aspen Specialty Insurance Management Co.  
590 Madison Avenue, 7th Floor  
New York, NY 10022  
Attention: Financial Services Professional Liability Claims Department  
E-mail: [Professionalliability.claims@aspenspecialty.com](mailto:Professionalliability.claims@aspenspecialty.com)  
Toll Free Telephone Number: 1-877-245-3510

2. Item b. of Section VIII. **GENERAL CONDITIONS**, Paragraph B. **Extended Reporting Periods**, Sub-paragraph 1. **Group Extended Reporting Period** is deleted and replaced by the following:

- b. Optional Extended Reporting Period.

In the event of cancellation or non-renewal of this Policy by the Company, the **Sponsoring Company** may elect to purchase, on behalf of all **Agents**, for an additional premium as set forth in Item 7 of the Declarations, an Optional **Extended Reporting Period** for a period of three (3) years after the date of such cancellation or non-renewal to report to the Company any **Claim** which is first made during said three (3) year period and which arises out of a **Wrongful Act** or **Wrongful Termination** committed prior to cancellation or non-renewal and on or after the **Retroactive Date**.

The right to purchase such Optional **Extended Reporting Period** must be exercised by written notice to the Company no later than thirty (30) days following the Policy termination, and must include (i) a designation of the length of the **Extended Reporting Period** being purchased, and (ii) payment of the premium for the applicable **Extended Reporting Period** as well as payment of all other premiums due the Company. If such notice is not so given to the Company, the **Sponsoring Company** shall not be entitled to exercise such right at a later date.

3. The following is added to Paragraph H. **Cancellation** of Section VIII. **GENERAL CONDITIONS**:

However, if this Policy has been in effect for sixty (60) days or more, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:



1. Ten (10) days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. Sixty (60) days before the effective date of cancellation due to:
  - a. Fraud or material misrepresentation made in obtaining the Policy, continuing the Policy or, or in pursuing a **Claim** under the Policy;
  - b. Violation of any provisions of this Policy; or
  - c. Substantial increase in hazard provided the Company has secured approval for the cancellation from the commissioner of insurance.
3. The following is added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least sixty (60) days before the expiration date of this Policy or the anniversary date of this Policy if this policy has been written for a term of more than one year.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW JERSEY AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. The following is added to paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS**:

Pursuant to New Jersey law, this Policy cannot be cancelled or non-renewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the **Sponsoring Company**. The underwriting reasons or guidelines that the Company can use to cancel or non-renew this Policy are maintained by the Company in writing and will be furnished to the **Sponsoring Company** and/or the **Sponsoring Company's** lawful representative upon written request. This provision shall not apply to any Policy which has been in effect for less than 60 days at the time notice of cancellation is mailed, unless the policy is a renewal Policy.

If this Policy has been in effect for 60 days or more, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a. Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f)
  - b. Material misrepresentation or nondisclosure to the Company of a material fact at the time of acceptance of the risk;
  - c. Increased hazard or material change in the risk assumed which the Company could not have reasonably contemplated at the time of assumption of the risk;
  - d. Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;
  - e. Lack of cooperation from the **Insured** on loss control matters materially affecting insurability of the risk;
  - f. Fraudulent acts against the Company by an **Insured** that materially affect the nature of the risk insured;
  - g. Loss of or reduction in available insurance capacity;
  - h. Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal;
  - i. Loss of or substantial changes in applicable reinsurance;
  - j. Failure by an **Insured** to comply with any Federal, State or local fire, health, safety or building or construction regulation, law or ordinance with respect to an insured risk which substantially increases any hazard insured against within 60 days of written notification of a violation of any such law, regulation or ordinance;

- k. Failure by the the **Sponsoring Company** to provide reasonable and necessary underwriting information to the Company upon written request therefore and a reasonable opportunity to respond.
- l. Agency termination, provided:
  - (1) The Company documents that replacement coverage at comparable rates and terms have been provided to the **Sponsoring Company**, and the Company has informed the **Sponsoring Company** in writing, of the right to continue coverage with the Company; or
  - (2) The Company has informed the **Sponsoring Company**, in writing, of the right to continue coverage with the Company and the **Sponsoring Company** has agreed, in writing, to the cancellation or nonrenewal based on the termination of the **Sponsoring Company's** broker.
- m. Any other reasons in accordance with the Company's underwriting guidelines for cancellation of commercial lines coverage.

Any notice of cancellation will state the reason of cancellation.

2. The following is added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 30 days, but not more than 120 days, before the expiration date of the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW MEXICO AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following is added to paragraph H. Cancellation of Section VIII. GENERAL CONDITIONS:**

However, if this Policy has been in effect for more than 60 days, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a. There has been a substantial change in the risk assumed by the Company since the Policy was issued;
  - b. The Policy was obtained through material misrepresentation, fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by the Company;
  - c. Willful and negligent acts or omissions have substantially increased the hazards insured against; or
  - d. Discovery of fraud or material misrepresentation in pursuing a **Claim** under this Policy.

Any notice of cancellation will state the reason of cancellation.

**2. The following is added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 30 days before the expiration date of the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**NEW YORK POLICYHOLDER NOTICE**

**ACKNOWLEDGEMENT THAT CLAIMS EXPENSES ARE INCLUDED WITHIN THE COMPANY'S LIMITS OF LIABILITY**

**Claims Expenses** are included within the limits of liability applicable to the coverage provided by this Policy. **Claims Expenses** paid under this Policy will reduce the available limits of liability. To the extent that Policy limits are thereby exceeded, the Company shall not be liable for **Claims Expenses** or for the amount of any judgment or settlement.

This Notice forms a part of your insurance Policy.

I have read and acknowledge the above Notice and am aware that this Policy has **Claims Expenses** included in the Company's limits of liability.

\_\_\_\_\_  
**Sponsoring Company's Signature**

\_\_\_\_\_  
**Date**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Policy**

In consideration of the premium charged, it is agreed that:

1. **SECTION VIII. GENERAL CONDITIONS**, subsection **K. Action Against the Company** is deleted in its entirety and replaced by the following:

**K. Action Against The Company**

- 1) Except as provided in Paragraph **b)** below, no person or organization has a right under this Policy:
- a) To join the Company as a party or otherwise bring the Company into a suit asking for damages from an **Insured**; or
  - b) To sue the Company on this Policy unless all of its terms have been fully complied with.

A person or organization may sue the Company to recover on an agreed settlement or on a final judgment against an Insured; but the Company will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Company, the Insured and the claimant or the claimant's legal representative.

- 2) With respect to a claim arising out of death or injury of any person, or arising out of injury to the economic interest of any person, as a result of the negligence in rendering expert, fiduciary or professional service, if the Company denies coverage or does not admit liability because an Insured or the injured person, someone acting for the injured person or other claimant fails to give the Company written notice as soon as practicable, then the injured person, someone acting for the injured person or other claimant may bring an action against the Company, provided the sole question is whether the denial of coverage or non-admission of liability is based on the failure to provide timely notice.

However, the injured person, someone acting for the injured person or other claimant may not bring an action if within sixty (60) days after the Company denies coverage or does not admit liability, the Company or an Insured:

- a) Brings an action to declare the rights of the parties under the Policy; and
- b) Names the injured person, someone acting for the injured person or other claimant as a party to the action.

2. **SECTION VIII. GENERAL CONDITIONS** is amended to include the following:

**Agent – Policy Cancellation**

- 1) The **Agent's** Policy may be cancelled by the **Agent** by surrender of their Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective.

2) **Cancellation Of Agent Policies In Effect**

a) **Sixty (60) Days Or Less**

The Company may cancel the **Agent's** Policy by mailing or delivering to the **Agent** written notice of cancellation at least:

- (1) Twenty (20) days before the effective date of cancellation if the Company cancels for any reason not included in Paragraph **2)b)** below.
- (2) Fifteen (15) days before the effective date of cancellation if the Company cancels for any of the reasons included in Paragraph **2)b)** below.

**b) For More Than Sixty (60) Days**

If the **Agent's** Policy has been in effect for more than sixty (60) days, or if this Policy is a renewal or continuation of a policy the Company issued, the Company may cancel only for any of the reasons listed below, provided the Company mails the first **Agent** written notice at least fifteen (15) days before the effective date of cancellation:

- (1) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the **Agent** of the amount due;
  - (2) Conviction of a crime arising out of acts increasing the hazard insured against;
  - (3) Discovery of fraud or material misrepresentation in the obtaining of the Policy or in the presentation of a **Claim**;
  - (4) After issuance of the Policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current **Policy Period**;
  - (5) Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, which results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the Policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the Policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the Policy was issued or last renewed;
  - (6) Required pursuant to a determination by the Superintendent that continuation of the Company's present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;
  - (7) A determination by the Superintendent that the continuation of the **Agent's** Policy would violate, or would place the Company in violation of, any provision of the Insurance Code; or
  - (8) Where the Company has reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the **Agent** will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. If the Company cancels for this reason, the **Agent** may make a written request to the Department of Financial Services, within ten (10) days of receipt of this notice, to review our cancellation decision. Also, the Company will simultaneously send a copy of this cancellation notice to the Department of Financial Services.
  - (9) Suspension/revocation of an **Agent's** license.
- 3) The Company will mail or deliver notice, including the reason for cancellation, to the **Agent** at the last address known to the Company, and to the authorized agent or broker.
  - 4) If the **Agent's** Policy is cancelled, the Company will send the **Agent** any premium refund due. If the Company cancels, the refund will be pro rata. If the **Agent** cancels, the refund may be less than pro rata.

However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

## **Agent – Nonrenewal And Conditional Policy Renewal**

- 1) If the Company decides not to renew the **Agent's** Policy the Company will send notice as provided in Paragraph **3)** below.
- 2) If the Company conditionally renew the **Agent's** Policy subject to:
  - a) A change of limits;
  - b) A change in type of coverage;
  - c) A reduction of coverage;
  - d) An increased deductible;
  - e) An addition of exclusion; or
  - f) Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;
- 3) If the Company decides not to renew the **Agent's** Policy or to conditionally renew the **Agent's** Policy as provided in Paragraphs **1)** and **2)** above, the Company will mail or deliver written notice to the **Agent** at least sixty (60) but not more than one-hundred-twenty (120) days before:
  - a) The expiration date; or
  - b) The anniversary date if this is a continuous policy.
- 4) Notice will be mailed or delivered to the **Agent** and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 5) Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.
- 6) If the Company violates any of the provisions of Paragraphs **3)**, **4)** or **5)** above by sending the **Agent** an incomplete or late conditional renewal notice or a late nonrenewal notice:
  - a) And if notice is provided prior to the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy at the lower of the current rates or the prior period's rates until sixty (60) days after such notice is mailed or delivered, unless the **Agent**, during this sixty (60) day period, has replaced the coverage or elects to cancel;
  - b) And if the notice is provided on or after the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy for another **Policy Period**, at the lower of the current rates or the prior period's rates, unless the **Agent**, during this additional **Policy Period**, has replaced the coverage or elects to cancel.
- 7) If the **Agent** elects to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
  - a) Upon expiration of the sixty (60) day period, unless Subparagraph **b)** below applies; or
  - b) Notwithstanding the provisions in Paragraphs **6)a)** and **6)b)** above, as of the renewal date of the Policy if the conditional renewal notice was sent at least thirty (30) days prior to the expiration or anniversary date of the Policy.



- 8) The Company will not send the **Agent** notice of nonrenewal or conditional renewal if the **Agent**, their authorized agent or broker or another insurer of yours mails or delivers notice that the Policy has been replaced or is no longer desired.

**Transfer Of Duties When Limits Of Liability Are Exhausted**

- 1) If the Company conclude that, based on events, **Claims** which have been reported to the Company and to which this insurance may apply, the:

- a) Aggregate Limit; or
- b) Each **Claim** Limit;

is likely to be used up in the payment of judgments or settlements, the Company will notify the **Agent**, in writing, to that effect.

- 2) When a limit of insurance described in Paragraph 1)a) above has actually been used up in the payment of judgments or settlements:

- a) The Company will notify the **Agent**, in writing, as soon as practicable, that:

- (1) Such a limit has actually been used up; and
- (2) The Company's duty to defend suits seeking damages subject to that limit has also ended.

- b) If the Company has a duty to defend, the Company will initiate, and cooperate in, the transfer of control, to any appropriate Insured, of all **Claims** seeking **Damages** which are subject to that limit and which are reported to the Company before that limit is used up. That **Agent** must cooperate in the transfer of control of said **Claim(s)**.

The Company agrees to take such steps, as the Company deems appropriate, to avoid a default in, or continue the defense of, such suits until such transfer is completed, provided the appropriate **Agent** is cooperating in completing such transfer.

The Company will take no action whatsoever with respect to any **Claim** seeking **Damages** that would have been subject to that limit, had it not been used up, if the **Claim** is reported to the Company after that limit of insurance has been used up.

- c) The **Agent**, and any other **Insured** involved in a **Claim** seeking damages subject to that limit, must arrange for the defense of such **Claim** within such time period as agreed to between the appropriate **Insured** and the Company. Absent any such agreement, arrangements for the defense of such **Claim** must be made as soon as practicable.

- 3) The **Agent** will reimburse the Company for expenses the Company incurs in taking those steps the Company deems appropriate in accordance with Paragraph 2)b) above. The duty of the **Agent** to reimburse the Company will begin on:

- a) The date on which the applicable limit of insurance is used up, if the Company sent notice in accordance with Paragraph 1) above; or
- b) The date on which the Company sent notice in accordance with Paragraph 2)a) above, if the Company did not send notice in accordance with Paragraph 1) above.

- 4) The exhaustion of any limit of insurance by the payment of judgments or settlements, and the resulting end of the Company's duty to defend, will not be affected by the Company's failure to comply with any of the provisions of this Condition.

The regulatory requirements set forth in this Amendatory Endorsement shall supersede and take precedence over any provisions of the Policy or any endorsement to the Policy, whenever added, that are inconsistent with or contrary to the provisions of this Amendatory Endorsement, unless such Policy or endorsement provisions comply with the applicable insurance laws of the state of New York.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NORTH CAROLINA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Item **d.** of Section **VIII. GENERAL CONDITIONS**, Paragraph **A. Limits of Liability, Deductible, and Claims First Made**, Sub-paragraph **1. Limits of Liability** is deleted and replaced by the following:
  - d.** The Limits of Liability for any **Extended Reporting Period** shall be equal to the Limits of Liability set forth in Item 3 of the Declarations.
2. Item **c.** of Section **VIII. GENERAL CONDITIONS**, Paragraph **B. Extended Reporting Periods**, Sub-paragraph **3. Extended Reporting Periods – Other Terms and Conditions** is deleted and replaced by the following:
  - c.** If this Policy is extended by virtue of an **Extended Reporting Period**, the Limit of Liability shall be equal to the Limits of Liability set forth in Item 3 of the Declarations.
3. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

### **C. Cancellation**

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or fifteen (15) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

However, if this Policy has been in effect for 60 days or more, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 15 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a.** Fraud or material misrepresentation made in obtaining the Policy, continuing the Policy or, in pursuing a **Claim** under the Policy;
  - b.** Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of the risk;

- c. Substantial breach of contractual duties, conditions or warranties that materially affects the insurability of the risk;
- d. A fraudulent act against the Company an **Insured** that materially affects the insurability of the risk;
- e. Willful failure by an **Insured** to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by the Company;
- f. Loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in North Carolina G.S. 58-41-30;
- g. Conviction of the **Insured** of a crime arising out of acts that materially affect the insurability of the risk;
- h. A determination by the Commissioner of Insurance that the continuation of the Policy would place the Company in violation of the laws of North Carolina; or
- i. The **Insured** fails to meet the requirements contained in our corporate charter, articles of incorporation or by-laws when the Company is organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.

The notice shall state the reason for cancellation.

4. The following is added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 45 days before the expiration date of this Policy or the anniversary date of this Policy if this policy has been written for a term of more than one year. The notice will state the reason for non-renewal.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NORTH DAKOTA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following is added to paragraph H. Cancellation of Section VIII. GENERAL CONDITIONS:**

However, if this Policy has been in effect for more than 60 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

- 1.** 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
- 2.** 60 days before the effective date of cancellation due to:
  - a.** Misrepresentation or fraud made in obtaining the Policy or in pursuing a **Claim** under the Policy;
  - b.** An **Insured's** actions that have substantially increased or substantially changed the risk insured;
  - c.** Substantial change in the risk assumed, except to the extent that the Company should reasonably have foreseen the change or contemplated the risk in writing the contract;
  - d.** Loss of reinsurance which provided the Company with coverage for a significant amount of the underlying risk insured;
  - e.** A determination by the insurance commissioner that the continuation of the Policy could place the Company in violation of North Dakota insurance laws; or
  - f.** Nonpayment of dues to an association or organization, other than an insurance association or organization where payment of dues is a prerequisite to obtaining or continuing such insurance. Cancellation for this reason does not apply to persons who are retired at 62 years of age or older or to any person who is disabled according to social security standards.

The notice will state the reason of cancellation.

**2. The following is added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 60 days before the expiration date of the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **OHIO AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

### **H. Cancellation**

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company's** broker and the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or ten (10)) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

However, if this Policy has been in effect for more than sixty (60) days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** broker and the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. Ten (10) days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. Sixty (60) days before the effective date of cancellation due to:
  - a. Discovery of fraud or material misrepresentation in obtaining this Policy or in the presentation of a **Claim** under this Policy;
  - b. Discovery of a moral hazard or willful or reckless acts or omissions which increase any hazard insured against;
  - c. The occurrence of a change in the individual risk which substantially increases any hazard insured against after the insurance coverage has been issued or renewed except to the extent the Company could reasonably have foreseen the change or contemplated the risk in writing the contract;
  - d. Loss of applicable reinsurance or a substantial decrease in applicable reinsurance, if the Superintendent has determined that reasonable efforts have been made to prevent the loss of, or substantial decrease in, the applicable reinsurance, or to obtain replacement coverage; or

- e. A determination by the Superintendent of Insurance that the continuation of the Policy would create a condition that would be hazardous to the policyholders or the public.

The notice will state the reason of cancellation.

- 2. The following is added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** broker and the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least Thirty(30) days before the expiration date of the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **OKLAHOMA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following are added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 45 days before the expiration date of this Policy or the anniversary date of this Policy if this policy has been written for a term of more than one year.

**Q. Premium Or Coverage Changes At Renewal**

If the Company elects to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of any premium increase, change in deductible, or reduction in limits or coverage to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 45 days before the expiration date of this Policy or the anniversary date of this Policy if this Policy has been written for a term of more than one year.

**R. OKLAHOMA FRAUD WARNING:**

Any person who knowingly, and with intent to injure, defraud or deceive any insurer, presents a **Claim** for the proceeds of an insurance policy, containing any false, incomplete or misleading information, is guilty of a felony.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **OREGON AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following is added to paragraph H. Cancellation of Section VIII. GENERAL CONDITIONS:**

However, if this Policy has been in effect for more than 60 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a. Misrepresentation or fraud made by or with knowledge in obtaining the Policy, when renewing the Policy, or in pursuing a **Claim** under the Policy;
  - b. Substantial increase in the risk of **Damages** after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to rules, legislation or court decision;
  - c. Failure to comply with reasonable loss control recommendations;
  - d. Substantial breach of contractual duties, conditions or warranties;
  - e. Determination by the commissioner that the continuation of a line of insurance or class of business to which the Policy belongs will jeopardize the Company's solvency or will place the Company in violation of the insurance laws of Oregon or any other state; or
  - f. Loss or decrease in reinsurance covering the risk.

The notice shall state the reason for cancellation.

**2. The following is added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations before the:

1. Expiration date of the Policy; or
2. Anniversary date of the Policy if the Policy is written for a term of more than one year or without a fixed expiration date.

However, if this Policy is issued for a term of more than one year and for additional consideration the premium is guaranteed, the Company may not refuse to renew the Policy at its anniversary date.

Non-renewal will not be effective until at least 45 days after the **Sponsoring Company** receives the Company's notice.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PENNSYLVANIA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

### **H. Cancellation**

1. This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or thirty (30) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

### **2. Cancellation Of Policies In Effect For 60 Days or More**

However, if this Policy has been in effect for 60 days or more, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

- a. 15 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
- b. 60 days before the effective date of cancellation due to:
  - (1) A material misrepresentation which affects the insurability of the risk;
  - (2) A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the **Policy Period**;
  - (3) Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies;
  - (4) Material failure to comply with Policy terms, conditions or contractual duties; or
  - (5) Other reasons that the Insurance Commissioner may approve.

This Policy may also be cancelled from inception upon discovery that the Policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by the Company.

2. The following is added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 60 days before the expiration date of the Policy.

**Q. Increase Of Premium**

If the Company increases the renewal premium, the Company will mail by registered, certified, or other first class mail written notice of the Company's intent to increase the premium to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 30 days before the effective of the premium increase.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **RHODE ISLAND AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following is added to paragraph H. Cancellation of Section VIII. GENERAL CONDITIONS:**

However, if this Policy has been in effect for more than 60 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a. Misrepresentation or fraud made by or with knowledge in obtaining the Policy, when renewing the Policy, or in pursuing a **Claim** under the Policy;
  - b. Acts or omissions that substantially change or increase the risk insured, including a failure to comply with loss control recommendations;
  - c. Change in the risk which materially increases the risk of **Damages** after the Policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
  - d. Loss of or decrease in reinsurance which provided the Company with coverage for all or part of the risk insured;
  - e. A determination by the Commissioner of Insurance that continuation of this Policy would jeopardize the Company's solvency or place the Company in violation of the insurance laws of this or any other state;
  - f. Violation or breach by any **Insured** of any Policy terms or conditions; or
  - g. Such other reasons as may be approved by the Commissioner of Insurance.

The notice shall state the reason for cancellation.

**2. The following is added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 60 days before the expiration or anniversary date of the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SOUTH CAROLINA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following is added to paragraph H. Cancellation of Section VIII. GENERAL CONDITIONS:**

However, if this Policy has been in effect for more than 120 days, or is a renewal or continuation of a Policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a. Material misrepresentation of fact which, if known to the Company, would have caused the Company not to issue the Policy;
  - b. Substantial change in the risk assumed, except to the extent that the Company should reasonably have foreseen the change or contemplated the risk in writing the Policy;
  - c. Substantial breaches of contractual duties, conditions or warranties; or
  - d. Loss of the Company's reinsurance covering all or a significant portion of the particular Policy insured, or where continuation of the Policy would imperil the Company's solvency or place the Company in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this sub-paragraph **H.2.d.**, the Company will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

**2. The following is added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal**

1. The Company will not refuse to renew a Policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
2. If the Company decides not to renew this Policy, the Company will:
  - a. Send written notice of nonrenewal to the **Sponsoring Company** and the **Sponsoring Company** broker, if any, before:
    - (1) The expiration date of this Policy, if the Policy is written for a term of one year or less; or
    - (2) An anniversary date of this Policy, if the Policy is written for a term of more than one year or for an indefinite term; and
  - b. Provide at least:

- (1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
  - (2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
3. Any notice of nonrenewal will be mailed by registered, certified, or other first class mail to the **Sponsoring Company's** last known address.
  4. Any notice of nonrenewal will state the precise reason for nonrenewal.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SOUTH DAKOTA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **D. Changes in Exposure** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

### **D. Changes in Exposure**

If during the **Policy Period**, the **Sponsoring Company** consolidates with, or merges into, or sells all or substantially all of its assets to any other entity; or if the **Sponsoring Company** acquires a controlling ownership interest in any other entity; or if another entity acquires a controlling ownership interest in the **Sponsoring Company**, then this Policy shall continue in full force and effect as to **Wrongful Acts** committed prior to the effective date of such event. The **Sponsoring Company** shall give the Company written notice of any such event as soon as practicable prior to the effective date of such event, and the Company may determine whether any other terms and/or conditions shall apply.

2. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

### **H. Cancellation**

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or twenty (20)) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

However, if this Policy has been in effect for more than 60 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 20 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a. Discovery of fraud or material misrepresentation in obtaining this Policy or in the presentation of a **Claim** under this Policy;

- b. Discovery of acts or omissions which increase any hazard insured against;
  - c. The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
  - d. A violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against;
  - e. A determination by the director of insurance that the continuation of the Policy would jeopardize the Company's solvency or would place the Company in violation of the insurance laws of South Dakota;
  - f. A breach of any Policy terms or conditions; or
  - g. Such other reasons as are approved by the director of insurance.
3. Paragraph **K. Action Against the Company** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

**K. Action Against the Company**

No person or entity shall have any right under this Policy to join any **Insured** in any action or proceeding against the Company to determine the Company's liability nor shall the Company be impleaded in an action or proceeding by any **Insured** or its legal representative.

No person or entity shall have any right under this Policy to join the Company as a party to any action against any **Insured** to determine such **Insured's** liability.

4. The following is added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 60 days before the expiration date of the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TENNESSEE AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following is added to paragraph H. Cancellation of Section VIII. GENERAL CONDITIONS:**

However, if this Policy has been in effect for more than 60 days, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a. Conviction of a crime increasing any hazard insured against;
  - b. Discovery of fraud or material misrepresentation in obtaining this insurance or pursuing a **Claim** under this Policy;
  - c. Failure to comply with written loss control recommendations;
  - d. Material change in the risk which increases the risk of loss after the Company issued or renewed insurance coverage;
  - e. Determination by the insurance commissioner that the continuation of the Policy would jeopardize our solvency or would place the Company in violation of the insurance laws of Tennessee or any other state;
  - f. A violation or breach of any Policy terms or conditions; or
  - g. Other reasons that are approved by the insurance commissioner.

The notice will state the reason of cancellation.

**2. The following is added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 60 days before the expiration date of the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**POLICYHOLDER NOTICE –TEXAS  
(For Professional Liability)**

**RISK MANAGEMENT CONSULTATION SERVICES**

As an insured, Texas law entitles you to risk management consultation services. These services may include, but are not limited to a Risk Management Consultation Hotline which provides assistance in exposure reduction and loss control.

The above services are made available by Aspen American Insurance Company through Christopher Piety, Vice President, Professional Lines Risk Management, Aspen Insurance.

Please contact Chris Piety at (415) 800-0012 or [Christopher.Piety@aspen-insurance.com](mailto:Christopher.Piety@aspen-insurance.com) if you have any questions with which we can assist you regarding risk management.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TEXAS AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

### **H. Cancellation**

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or ten (10) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company will return 90% of the unearned premium. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

However, if this Policy has been in effect for 60 days or more, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
2. 60 days before the effective date of cancellation due to:
  - a. Fraud in obtaining this Policy;
  - b. An increase in hazard within the control of the "Named Insured" which would produce an increase in rate;
  - c. Loss of the Company's reinsurance covering all or part of the risk covered by the Policy; or
  - d. If the Company have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.

The Company may not cancel this Policy solely because an **Insured** is an elected official.

2. The following is added to Section **VIII. GENERAL CONDITIONS**:

### **P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 45 days before the expiration date of the Policy.

1. The Company may elect not to renew this Policy except, that under the provisions of the Texas Insurance Code, the Company may not refuse to renew this Policy solely because an **Insured** is an elected official.
2. If the Company elects not to renew this Policy, the Company may do so by mailing by registered, certified, or other first class written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 60 days before the expiration date. If notice is mailed less than 60 days before the expiration date, this Policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year's premium.
3. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. The transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



## IMPORTANT NOTICE

To obtain information or make a complaint:

You may call **Aspen American Insurance Company's** toll-free telephone number for information or to make a complaint at:

**1-877-245-3510**

You may also write to **Aspen American Insurance Company** at:

**175 Capital Boulevard, Suite 100  
Rocky Hill, CT 06067**

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

**1-800-252-3439**

You may write the Texas Department of Insurance:

PO Box 149104  
Austin, TX 78714-9104  
FAX: (512)-475-1771  
Web: <http://www.tdi.state.tx.us>  
E-mail: [ConsumerProtection@tdi.state.tx.us](mailto:ConsumerProtection@tdi.state.tx.us)

**PREMIUM OR CLAIM DISPUTES:** Should you have a dispute concerning your premium or about a claim you should contact **Aspen American Insurance Company** first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

**ATTACH THIS NOTICE TO YOUR POLICY:** This notice is for information only and does not become a part or condition of the attached document.

## AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Usted puede llamar al número de teléfono gratis de **Aspen American Insurance Company** para información o para someter una queja al:

**1-877-245-3510**

Usted también puede escribir a **Aspen American Insurance Company**:

**175 Capital Boulevard  
Rocky Hill, CT 06067**

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

**1-800-252-3439**

Puede escribir al Departamento de Seguros de Texas:

PO Box 149104  
Austin, TX 78714-9104  
FAX: (512)-475-1771  
Web: <http://www.tdi.state.tx.us>  
E-mail: [ConsumerProtection@tdi.state.tx.us](mailto:ConsumerProtection@tdi.state.tx.us)

**DISPUTAS SOBRE PRIMAS O RECLAMOS:** Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con **Aspen American Insurance Company** primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

**UNA ESTE AVISO A SU POLIZA:** Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del document-adjunto.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **UTAH AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

**1. The following is added to paragraph H. Cancellation of Section VIII. GENERAL CONDITIONS:**

However, if this Policy has been in effect for more than 60 days or if this is a renewal of a Policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

- 1.** 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
- 2.** 60 days before the effective date of cancellation due to:
  - a.** Fraud or misrepresentation;
  - b.** Substantial change in the risk assumed unless the Company should reasonably have foreseen the change or contemplated the risk when entering the contract; or
  - c.** Substantial breaches of contractual duties, conditions or warranties.

If the Company cancels for non-payment of premium, notice of cancellation must state the reason for cancellation.

**2. The following is added to Section VIII. GENERAL CONDITIONS:**

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 30 days before the expiration date or anniversary date of the Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **VERMONT AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Policy**

In consideration of the premium charged, it is agreed that:

1. **SECTION VIII. GENERAL CONDITIONS**, subsection **B.2.** is amended to include the following:

- d) If the **Agent's** Policy is extended by virtue of an Optional **Extended Reporting Period**, the Limit of Liability shall be equal to the Limits of Liability in effect at the beginning of the **Agent's Policy Period**.

2. **SECTION VIII. GENERAL CONDITIONS** is amended to include the following:

### **Agent – Policy Cancellation**

- 1) The **Agent's** Policy may be cancelled by giving written notice to the Company stating at what future date cancellation is to be effective.
- 2) If the **Agent's** Policy has been in effect for less than sixty (60) days and is not a renewal of a policy the Company issued, the Company may cancel this Policy by:
  - a) Mailing or delivering to the **Agent** at least fifteen (15) days' notice prior to the proposed cancellation date for non-payment of premium; or
  - b) Mailing or delivering to the **Agent** at least forty-five (45) days' notice prior to the proposed cancellation date for any other reason.

If cancellation is for non-payment of premium, written notice may be sent by certificate of mailing or certified mail. If cancellation is for any reason other than nonpayment of premium, written notice must be sent by use of certified mail.

- 3) If this Policy has been in effect for sixty (60) days or more, or if this is a renewal of a policy the Company issued, the Company may cancel this Policy only for one or more of the following reasons:
  - a) Nonpayment of premium;
  - b) Fraud or material misrepresentation affecting the policy or in the presentation of a **Claim** thereunder, or violation of any of the terms or conditions of the Policy;
  - c) Substantial increase in hazard, provided the Company has secured approval for the cancellation from the Commissioner of Insurance.

No notice of cancellation of a Policy in effect for sixty (60) days or more, shall be effective unless mailed or delivered by the Company to the **Agent** at least forty-five (45) days prior to the effective date of cancellation, provided that where cancellation is for nonpayment of premium, at least fifteen (15) days notice of cancellation shall be given.

Written notice of cancellation shall include the reason for cancellation and shall be sent by certified mail, except that in the case of cancellation for nonpayment of premium, notice shall be by certified mail or certificate of mailing. The Company shall not be held liable in any **Claim** or suit for **Damages** arising solely from the Company's compliance with the requirement that the reason for cancellation be specified.

- 4) Notice of cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.
- 5) If the Company or **Agent** cancels their Policy, the earned premium will be computed on a pro rata basis. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of

unearned premium is not a condition of cancellation.

- 6) If notice is mailed, proof of mailing will be sufficient proof of notice.

**Agent – Policy Non-renewal**

- 1) If the Company elects not to renew the **Agent's** Policy, the Company will mail to the **Agent**, and their agent, if any, a notice of intention not to renew at least forty-five (45) days prior to the expiration date of the policy or anniversary date of the Policy if this Policy has been written for a term of more than one year. The notice of nonrenewal will state the reason(s) for nonrenewal and shall be sent by certified mail.
- 2) This provision does not apply:
  - a) If the Company has indicated a willingness to renew;
  - b) In case of nonpayment of premium; or
  - c) If the **Agent** does not pay any advance premium required by the Company for renewal.

**Agent – Conditional Policy Renewal**

If the **Company** elects to renew the **Agent's** Policy and has the necessary information to issue a renewal policy, the Company will confirm in writing at least forty-five (45) days before it expires the **Company's** intention to renew this Policy and the premium at which this Policy will be renewed.

If the Company does not comply with the above provisions, the **Agent** will have renewal coverage at the rate or premium in effect under the expiring or expired policy or at rates lawfully in effect on the expiration date, whichever are lower. This shall be done on a pro rata basis and shall continue for forty-five (45) days after the Company confirms renewal coverage and premium. This Subparagraph shall not apply if the **Agent** accepts the renewal policy.

**Agent – Right To Loss Information**

The Company will provide the following loss information to the **Agent** within thirty (30) days of the **Agent** request and within fifteen (15) days after notice of cancellation or nonrenewal is issued:

- 1) Description of closed **Claims** including the date and description of occurrence, amount of payments, if any;
- 2) Description of open **Claims** including the date and description of occurrence, amount of payment, if any, and an estimate of reserves, if any; and
- 3) Information on notices of occurrence including the date and an estimate of reserves, if any.

The regulatory requirements set forth in this Amendatory Endorsement shall supersede and take precedence over any provisions of the Policy or any endorsement to the Policy, whenever added, that are inconsistent with or contrary to the provisions of this Amendatory Endorsement, unless such Policy or endorsement provisions comply with the applicable insurance laws of the state of Vermont.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **VIRGINIA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Item **d.** of Section **VIII. GENERAL CONDITIONS**, Paragraph **A. Limits of Liability, Deductible, and Claims First Made**, Sub-paragraph **1. Limits of Liability** is deleted and replaced by the following:
  - a. The Limits of Liability for any **Extended Reporting Period** shall be equal to the Limits of Liability set forth in Item 3 of the Declarations.
2. Paragraph **B. Extended Reporting Periods** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

### **B. Extended Reporting Periods**

1. If the Policy:

- a. Is cancelled or non-renewed;
- b. The **Retroactive Date** is advanced;
- c. The coverage provided by this Policy is renewed on an other than claims-made basis; or
- d. Previously existing coverage is newly excluded or removed from this Policy or upon renewal,

then the Company will provide an **Extended Reporting Period**, as described Paragraphs **B.2., 3.** and **4.**, below. Any **Extended Reporting Period** for previously existing coverage that is newly excluded or removed applies only to the newly excluded or removed coverage.

2. **Group Extended Reporting Period**

a. Automatic **Extended Reporting Period**.

- (i) An Automatic **Extended Reporting Period** is provided without additional charge. This period starts on the date in which an event described in **SECTION VIII. B. 1. a. – c.** takes effect and lasts for sixty (60) days.
- (ii) The Automatic **Extended Reporting Period** applies to **Claims** arising out of a **Wrongful Act** or **Wrongful Termination** that was committed during the **Policy Period** or after the **Retroactive Date**, if any, as set forth in the Declarations, and which are first made against the **Agent** and reported to the Company, in writing, within sixty (60) days after the date in which an event described in **SECTION VIII. B. 1. a. – c.** takes effect.

This Automatic Extended Reporting Period shall not be available if the **Insured** has any other applicable insurance, including any policy issued subsequent to this Policy. This Automatic Extended Reporting Period shall be included within the Optional Extended Reporting Period described in paragraph **B.2.b.** and **B.3.**, below, if such Optional Extended Reporting Period is purchased.

**b.** Optional Extended Reporting Period.

If an event described in **SECTION VIII. B. 1. a. – c.** takes effect, other than cancellation for non-payment of premium, the **Sponsoring Company** may elect to purchase, on behalf of all **Agents**, for an additional premium, an Optional **Extended Reporting Period** for the period of months stated in Item 7 of the Declarations to report to the Company any **Claim** which is first made during said three (3) year period and which arises out of a **Wrongful Act** or **Wrongful Termination** committed prior to the described event and on or after the **Retroactive Date**.

- c.** The right to purchase the Optional **Extended Reporting Period** must be exercised by notice in writing not later than sixty (60) days following the event described in **SECTION VIII. B. 1. a. – c.** and must include payment of premium for the applicable Optional **Extended Reporting Period**, as well as payment of all premiums due the Company. If such notice is not so given to the Company, the **Sponsoring Company** shall not be entitled to exercise such right at a later date.

**3. Individual Agent Extended Reporting Period**

In addition to the events described in **SECTION VIII. B. 1. a. – c.**, the following applies to the termination of an Individual **Agent's** Contract:

**a.** Automatic **Extended Reporting Period** Due to Termination of **Agent** Contract.

- (i)** If, during the **Policy Period**, the **Sponsoring Company** terminates an **Agent's** contract for reasons other than nonpayment of premium, failure to comply with terms or conditions of the Policy, or fraud, coverage for such **Agent** shall cease as of the date of such termination.
- (ii)** With respect to all covered products, the **Agent** shall have a period of sixty (60) days after the expiration of the **Policy Period** to report to the Company any **Claim** which is first made during this sixty (60) day period and which arises from a **Wrongful Act** committed on or after the **Retroactive Date** and prior to the expiration of the **Policy Period**.
- (iii)** With respect to any products issued by the **Sponsoring Company**, the **Agent** shall have a period of one (1) year after the expiration of the **Policy Period** to report to the Company any **Claim** which is first made during this one (1) year period and which arises from a **Wrongful Act** committed on or after the **Retroactive Date** and prior to the expiration of the **Policy Period**.
- (iv)** If the **Agent** is terminated for nonpayment of premium, failure to comply with terms or conditions of the Policy, or fraud, then the **Agent** shall not be entitled to any Automatic **Extended Reporting Period**.

**b. Automatic Extended Reporting Period** Due to Disablement, Retirement, or Death.

If, during the **Policy Period**, an **Agent** retires or becomes disabled or deceased, coverage for such **Agent** shall cease as of the date of such disability or death, provided that the **Agent** or his/her legal representative shall have a period of two (2) years after the date of such disability or death to report to the Company any **Claim** which is first made during this two (2) year period and which arises out of a **Wrongful Act** committed prior to such disability or death and on or after the **Retroactive Date**.

**c. Optional Extended Reporting Period.**

(i) If, during the **Policy Period**, an **Agent** retires or becomes disabled or deceased, or is terminated for nonpayment of premium, failure to comply with terms or conditions of the Policy, or fraud, the **Agent** or its legal representative may elect to purchase, for an additional premium, an **Optional Extended Reporting Period** for the period of months stated in Item 7 of the Declarations to report to the Company any **Claim** which is first made during the applicable period and which arises out of a **Wrongful Act** committed prior to such retirement, disability or death and on or after the **Retroactive Date**.

(ii) The right to purchase the **Optional Extended Reporting Period** must be exercised by notice in writing not later than sixty (60) days following the date of retirement, disablement, death, or termination, as described **SECTION VIII. B. 1. c. (i)**.

**4. Extended Reporting Periods – Other Terms and Conditions**

- a.** Automatic **Extended Reporting Periods** shall not apply to any **Agent** that has any other applicable insurance.
- b.** At the commencement of any **Optional Extended Reporting Period**, the entire premium thereafter shall be deemed earned.
- c.** If this Policy is extended by virtue of an **Extended Reporting Period**, the Limit of Liability shall be equal to the Limits of Liability set forth in Item 3 of the Declarations.
- d.** Once purchased by the **Sponsoring Company** or **Agent**, an **Optional Extended Reporting Period** cannot be cancelled by the Company except for nonpayment of premium or fraud.

**3.** Sub-paragraph **2.** of Paragraph **G. Termination** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

- 2.** Fifteen (15) days after receipt by the **Sponsoring Company** of a written notice of cancellation from the Company for failure to pay a premium due; or

**4.** Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

**H. Cancellation**

This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the

**Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1 of the Declarations, written notice stating when, not less than sixty (60) days thereafter or fifteen (15) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company will return 90% of the pro rata unearned premium, rounded to the next higher whole dollar. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

5. The following is added to Paragraph **K. Action Against The Company** of Section **VIII. GENERAL CONDITIONS**:

Any party who has obtained a judgment against the **Insured**, which is returned unsatisfied, may bring an action against the Company to recover **Damages** insured by the Policy.

6. The following are added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 45 days before the expiration date of this Policy or the anniversary date of this Policy if this policy has been written for a term of more than one year.

**Q. Bankruptcy**

Neither bankruptcy nor insolvency of the **Insured** or the **Insured's** estate shall relieve the Company of any of its obligations under this Policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WASHINGTON AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **C. Subrogation** of Section **VIII. GENERAL CONDITIONS** is deleted in its entirety and replaced by the following:

### **C. Subrogation**

In the event of any payment under this Policy, the Company shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery, and the **Insured** shall execute and deliver instruments and all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Company to bring suit or otherwise pursue subrogation rights in the name of the **Insured**. The **Insured** shall do nothing to prejudice such rights.

Any amount so recovered shall be apportioned as follows: The **Insured** shall be reimbursed first; second, to any recovery used for the repayment of expenses incurred toward subrogation; third, to any claims expenses and/or damages payments by an excess carrier on behalf of the **Insured**; and last, to any claims expenses and/or damages payments by any primary carrier on behalf of the **Insured**.

2. Paragraph **B. Extended Reporting Periods**; subparagraph **2.a. Individual Agent Extended Reporting Period** of Section **VIII. GENERAL CONDITIONS** is deleted in its entirety and replaced by the following:

- a. Automatic **Extended Reporting Period Due** to Termination of **Agent** Contract:

- (i) Termination of **Agent** for Non-disciplinary Reasons. With respect to all covered products, if, during the **Policy Period**, the **Sponsoring Company** terminates an **Agent's** contract for non-disciplinary reasons:

- (a) The **Agent** shall have a period of sixty (60) days after the **Sponsoring Company** terminates the **Agent's** contract to report to the Company any **Claim** which is first made during this sixty (60) day period and which arises from a **Wrongful Act** committed on or after the **Retroactive Date** and prior to the termination of the **Agent's** contract.

- (b) The **Agent** shall have a period of one (1) year after the termination of the **Agent's** contract to report to the Company any **Claim** which is first made during this one (1) year period and which arises from a **Wrongful Act** committed on or after the **Retroactive Date** and prior to the termination of the **Agent's** contract.

- (ii) Termination of **Agent** for Disciplinary Reasons. If the **Agent** is terminated for disciplinary reasons, the **Agent** shall not be entitled to any Automatic **Extended Reporting Period**.

3. Paragraph **G. Termination** of Section **VIII. GENERAL CONDITIONS** is deleted in its entirety and replaced by the following:

This Policy shall terminate at the earliest of the following event:

1. Upon expiration of the **Policy Period** set forth in Item 2 of the Declarations, or the effective date of cancellation, if earlier; or
  2. Ten (10) days after receipt by the **Sponsoring Company**, and any applicable **Agent(s)**, of a written notice of cancellation from the Company for failure to pay a premium due.
4. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted in its entirety and replaced by the following:

#### **H. Cancellation**

1. This Policy may be cancelled by the **Sponsoring Company** by surrender thereof to the Company or any of its authorized representatives, or by mailing to the Company written notice stating when, thereafter, cancellation shall be effective. If this Policy shall be cancelled by the **Sponsoring Company**, the refund will be at least 90% of the pro rata refund. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.
  2. If this Policy has been in effect less than sixty (60) days and is not a renewal of a Policy issued by the Company, the Company may cancel this Policy for any reason.
  3. If this Policy has been in effect for sixty (60) days or more or is a renewal of a Policy issued by the Company, this Policy may not be cancelled except for one (1) or more of the following reasons:
    - a. Nonpayment of premium;
    - b. Fraud or material misrepresentation affecting the Policy;
    - c. Violation of any of the terms or conditions of the Policy; or
    - d. Substantial increase in hazard.
  4. Written notice of cancellation, including the reasons for cancellation, shall be mailed or delivered by the Company to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, any applicable **Agent(s)**, or the **Sponsoring Company's** producer of record at least:
    - a. Ten (10) days prior to the effective date of cancellation, if this Policy is cancelled for nonpayment of premium; or
    - b. Sixty (60) days prior to the effective date of cancellation, if this Policy is cancelled for any other reason.
  5. Notice of cancellation shall be sent by certified mail. Delivery shall be considered to be equivalent to mailing. Proof of mailing shall be considered proof of notice.
5. The following is added to Section **VIII. GENERAL CONDITIONS**:

#### **P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, any applicable **Agent(s)**, or the **Sponsoring Company's** producer of record at least 45 days before the:

- a. Expiration of the Policy; or
- b. Anniversary date of this Policy if this Policy has been written for a term of more than one year.

Otherwise, the Company will renew this Policy unless:

- a. The **Sponsoring Company** fails to pay the renewal premium after the Company has expressed the Company's willingness to renew, including a statement of the renewal premium, to the **Sponsoring Company**, any applicable **Agent(s)**, and the **Sponsoring Company's** producer of record, at least 20 days before the expiration date;
- b. Other coverage acceptable to the **Sponsoring Company** has been procured prior to the expiration date of the Policy; or
- c. The Policy clearly states that it is not renewable and is for a specific line, sub-classification, or type of coverage that is not offered on a renewable basis.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WEST VIRGINIA AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Item **b.** of Section **VIII. GENERAL CONDITIONS**, Paragraph **B. Extended Reporting Periods**, Sub-paragraph **1. Group Extended Reporting Period** is deleted and replaced by the following:

- b.** Optional Extended Reporting Period.

In the event of cancellation or non-renewal of this Policy by the Company, the **Sponsoring Company** may elect to purchase, on behalf of all **Agents**, for an additional premium as set forth in Item 7 of the Declarations, an Optional **Extended Reporting Period** for a period of three (3) years after the date of such cancellation or non-renewal to report to the Company any **Claim** which is first made during said three (3) year period and which arises out of a **Wrongful Act** or **Wrongful Termination** committed prior to cancellation or non-renewal and on or after the **Retroactive Date**.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WISCONSIN AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS** is deleted and replaced by the following:

### **H. Cancellation**

1. This Policy may be cancelled by the **Sponsoring Company** by surrender of this Policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Company by mailing to the **Sponsoring Company** by registered, certified, or other first class mail, at the **Sponsoring Company's** address set forth in Item 1. of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or ten (10) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Sponsoring Company**, the Company shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Company, the Company shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Payment or tender of unearned premium shall not be a condition of cancellation.

### **2. Policies In Effect For 60 Days Or More**

However, if this Policy has been in effect for 60 days or more, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

- a. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
- b. 60 days before the effective date of cancellation due to:
  - (1) Misrepresentation or fraud made by or with knowledge in obtaining the Policy, when renewing the Policy, or in pursuing a **Claim** under the Policy;
  - (2) There has been a substantial change in the risk that the Company originally assumed, except to the extent that the Company should have foreseen the change or considered the risk in writing the Policy; or
  - (3) There have been substantial breaches of contractual duties, conditions or warranties;

The notice shall state the reason for cancellation.

### **3. Anniversary Cancellation**

If this Policy is written for a term of more than one year or has no fixed expiration date, the Company may cancel this Policy for any reason by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address

identified in Item 1. of the Declarations, at least 60 days before the anniversary date of the Policy. Such cancellation will be effective on the Policy's anniversary date.

The Company may cancel this Policy because of the termination of an insurance marketing intermediary's contract with the Company only if the notice of cancellation contains an offer to continue the Policy with the Company if the Company receives a written request from the **Sponsoring Company** prior to the date of cancellation.

2. The following is added to paragraph **M. Changes** of Section **VIII. GENERAL CONDITIONS**:

If one of the Company's brokers knows of a fact that breaches a condition of this Policy, the Company will be considered to have knowledge of this same fact if:

1. The broker knows of this fact at the time the Policy is issued or an **Application** is made; or
2. The broker later learns of this fact in the course of his dealings as a broker with the **Sponsoring Company**.

Any fact that breaches a condition of this Policy and is known to the broker prior to **Damages** shall not void the Policy or prevent a recovery in the event of **Damages**.

3. The following are added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 60 days before the expiration or anniversary date of the Policy.

**Q. Anniversary Alteration**

If this Policy is written for a term of more than one year or has no fixed expiration date, the Company may alter the terms or premiums of this Policy by mailing by registered, certified, or other first class mail written notice of less favorable terms or premiums to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 60 days prior to the anniversary date.

If the Company notifies the **Sponsoring Company** within 60 days prior to the anniversary date, the new terms or premiums will not take effect until 60 days after the notice was mailed. The notice will include a statement of the **Sponsoring Company's** right to cancel. The **Sponsoring Company** may elect to cancel the Policy at any time during the 60-day period, in accordance with this Policy's Cancellation paragraph. If the **Sponsoring Company** elects to cancel the Policy during the 60-day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

**R. Renewal With Altered Terms**

If the Company elects to renew this Policy but on less favorable terms or at higher premiums, the Company will mail by registered, certified, or other first class mail written notice of the new terms or premiums to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 60 days prior to the renewal date.

If we notify the **Sponsoring Company** within 60 days prior to the renewal date, the new terms or premiums will not take effect until 60 days after the notice was mailed. The notice will include a statement of the **Sponsoring Company** right to cancel. The "**Sponsoring Company** may elect to cancel the renewal policy at any time during the 60-day period, in accordance with this policy's Cancellation paragraph. If the **Sponsoring Company** elects to cancel the renewal policy during the 60-day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

The Company does not have to this notice if the only change adverse to the **Sponsoring Company** is a premium increase that:

1. Is less than 25% and is generally applicable to the class of business to which this Policy belongs; or
2. Results from a change based on an action that alters the nature or extent of the risk insured against, including but not limited to a change in the classification or the units of exposure, or increased Policy coverage.

#### **S. CONFORMITY TO STATUTE OR RULE**

Any section of this policy (including endorsements which modify the Policy) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule. The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. Section 227.11(2) and published in the Wisconsin Administrative Code.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WYOMING AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
**Company Sponsored Insurance Agents Professional Liability Insurance Policy**

In consideration of the premium charged, it is agreed that:

1. Item **d.** of Section **VIII. GENERAL CONDITIONS**, Paragraph **A. Limits of Liability, Deductible, and Claims First Made**, Sub-paragraph **1. Limits of Liability** is deleted and replaced by the following:
  - d.** The Limits of Liability for any **Extended Reporting Period** shall be equal to the Limits of Liability set forth in Item 3 of the Declarations.
2. Item **c.** of Section **VIII. GENERAL CONDITIONS**, Paragraph **B. Extended Reporting Periods**, Sub-paragraph **3. Extended Reporting Periods – Other Terms and Conditions** is deleted and replaced by the following:
  - c.** If this Policy is extended by virtue of an **Extended Reporting Period**, the Limit of Liability shall be equal to the Limits of Liability set forth in Item 3 of the Declarations.
3. The following is added to Paragraph **H. Cancellation** of Section **VIII. GENERAL CONDITIONS**:

However, if this Policy has been in effect for 60 days or more, or is a renewal of a policy the Company issued, the Company may cancel only for one or more of the following reasons, by sending written notice of cancellation to the **Sponsoring Company** by registered, certified, or other first class mail to the address identified in Item 1. of the Declarations, at least:

  1. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
  2. 60 days before the effective date of cancellation due to:
    - a.** Material misrepresentation of fact which, if known to the Company, would have caused the Company not to issue the Policy;
    - b.** Substantial change in the risk assumed except to the extent that the Company should reasonably have foreseen the change or contemplated the risk in writing the Policy; or
    - c.** Substantial breaches of contractual duties, conditions or warranties.
4. The following is added to Section **VIII. GENERAL CONDITIONS**:

**P. Non-renewal**

If the Company elects not to renew this Policy, the Company will mail by registered, certified, or other first class mail written notice of non-renewal to the **Sponsoring Company** at the address identified in Item 1. of the Declarations, at least 45 days before the expiration date of this Policy or the anniversary date of this Policy if this policy has been written for a term of more than one year.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**