



MARKEL AMERICAN INSURANCE COMPANY

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

PLEASE READ THIS ENTIRE POLICY CAREFULLY. CONSULT YOUR BROKER OR OTHER REPRESENTATIVE IF YOU DO NOT UNDERSTAND ANY TERMS OR PROVISIONS OF THIS POLICY.

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

THIS POLICY PROVIDES INSURANCE TO THE AGENT OR MANAGING AGENT SHOWN IN THE CERTIFICATE OF INSURANCE SUBJECT TO THE MASTER POLICY DECLARATIONS ISSUED TO THE SPONSORING COMPANY.

WORDS OR PHRASES IN BOLD MAY HAVE SPECIAL MEANING. REFER TO SECTION IV – DEFINITIONS.

In consideration of the payment of premiums and in reliance upon the statements contained in the **Application**, which is incorporated into this Policy and forms a part hereof, and subject to the terms, limitations, conditions and exclusions of this Policy, the **Insurer** agrees as follows:

SECTION I – INSURING AGREEMENTS

A. Agents Professional Liability

The **Insurer** shall pay, on behalf of an **Agent**, **Damages** which an **Agent** becomes legally obligated to pay because of a **Claim** that is both made against an **Agent** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section X – Notice Of Claim below, or during an Extended Reporting Period, if applicable, for a **Wrongful Act** or **Interrelated Wrongful Act** committed solely in the rendering of or failing to render **Professional Services** by an **Agent**, provided:

1. Such **Wrongful Act** or any **Interrelated Wrongful Act** occurred on or after the **Retroactive Date** and before the end of the **Certificate Period**; and
2. As of the inception date of this Policy as shown in the Master Policy Declarations, or the effective date of the **Agent's** enrollment for coverage hereunder as shown in the Certificate Of Insurance, no **Insured** had knowledge or reasonable basis upon which to anticipate that the **Wrongful Act** or any **Interrelated Wrongful Act** could result in a **Claim**.

B. Managing Agents Management Liability

The **Insurer** shall pay, on behalf of a **Managing Agent**, **Damages** which a **Managing Agent** becomes legally obligated to pay because of a **Claim** that is both made against a **Managing Agent** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section X – Notice Of Claim below, or during an Extended Reporting Period, if applicable, for a **Management Wrongful Act** or **Interrelated Management Wrongful Act** committed solely in the rendering of or failing to render **Professional Services** by a **Managing Agent**, provided:

1. Such **Management Wrongful Act** or any **Interrelated Management Wrongful Act** occurred on or after the **Retroactive Date** and before the end of the **Certificate Period**; and
2. As of the inception date of this Policy as shown in the Master Policy Declarations, or the effective date of the **Managing Agent's** enrollment for coverage hereunder as shown in the Certificate Of Insurance, no **Insured** had knowledge or reasonable basis upon which to anticipate that the **Management Wrongful Act** or any **Interrelated Management Wrongful Act** could result in a **Claim**.

C. Sponsoring Company Vicarious Liability

The **Insurer** shall pay, on behalf of the **Sponsoring Company**, **Damages** which the **Sponsoring Company** becomes legally obligated to pay as the result of vicarious liability asserted in a **Claim** that is both made against the **Sponsoring Company** and reported to the **Insurer** in writing during the applicable **Certificate Period**, or as allowed by Section **X** – Notice Of Claim below, or during an Extended Reporting Period, if applicable, for a **Wrongful Act** or **Interrelated Wrongful Act** committed solely in the rendering of or failing to render **Professional Services** by an **Agent** for a client, provided:

1. The **Claim** against the **Sponsoring Company** must arise out of a **Wrongful Act** of an **Agent** committed in an **Agent's** rendering of or failing to render **Professional Services** for a client; and not any actual or alleged independent acts, errors, conduct or bad faith of any nature committed by the **Sponsoring Company**, including, but not limited to, deceptive or improper marketing of insurance and negligent hiring, retention, training or supervision of an **Agent Insured**;
2. Such **Wrongful Act** or any **Interrelated Wrongful Act** occurred on or after the **Retroactive Date** and before the end of the applicable **Certificate Period**;
3. As of the inception date of this Policy as shown in the Master Policy Declarations, neither the **Sponsoring Company** nor any other **Insured** had knowledge or reasonable basis upon which to anticipate that the **Wrongful Act** or any **Interrelated Wrongful Act** could result in a **Claim**; and
4. The **Claim** against the **Sponsoring Company** must be otherwise covered pursuant to all terms, provisions, limitations, exclusions and conditions of the Policy, and the **Sponsoring Company** shall not be entitled to any rights greater than those available to an **Agent**.

In the event that a **Claim** against the **Sponsoring Company** includes allegations that are both covered and uncovered pursuant to this Section **I** – Insuring Agreement **C. Sponsoring Company Vicarious Liability**, as well as other terms, limitations, exclusions and conditions of the Policy, then payments of **Damages** and **Claim Expenses** must be allocated between the **Insurer** and **Sponsoring Company**. The **Insurer** and **Sponsoring Company** shall use their best efforts to reach a fair and reasonable agreement as to allocation. However, in the event that an agreement cannot be reached, the **Insurer's** determination of **Damages** and **Claim Expenses** to be paid by the **Sponsoring Company** will be final. Notwithstanding the foregoing, under no circumstances will the **Insurer** be required to make any payments of **Damages** and **Claim Expenses** hereunder if a **Claim** does not include any allegations against the **Sponsoring Company** that are covered hereunder.

SECTION II – DEFENSE AND CLAIM EXPENSES

- A. The **Insurer** shall have the right and duty to defend a **Claim** against an **Insured** seeking **Damages** that is covered by this Policy.
- B. The **Insurer's** right and duty to defend a **Claim**, as well as all other obligations under this Policy, shall terminate when the applicable Limit Of Liability Each Claim is paid by the **Insurer** for **Damages**, regardless of whether a **Claim** continues to proceed against an **Insured**. The **Insurer's** rights and duties to defend all **Claims**, as well as all other obligations under this Policy, shall terminate upon payment of each **Insured** Aggregate Limit Of Liability for **Damages**. In the event that the Limits Of Liability are exhausted by the **Insurer's** payment of **Damages**, then the **Insurer** shall tender the defense to the **Insured**, who will be responsible for continued defense and payment of **Claim Expenses** up to \$1,000,000 for Each **Claim** Each **Insured** without recourse to the Policy.
- C. The **Insurer** shall select defense counsel for a **Claim** that is covered by this Policy and pay associated **Claim Expenses**.
- D. In the event that applicable law allows the **Insured** to control selection of defense counsel when a conflict of interest arises between the **Insured** and **Insurer**, the **Insurer** will provide a list of attorneys or law firms from which the **Insured** may designate defense counsel who shall act solely in the interest of the **Insured**, and the **Insured** shall direct such defense counsel to cooperate with the **Insurer**. Such cooperation shall include, without limitation:
 1. Providing on a regular basis, but no less frequently than every 3 months, written reports on alleged **Damages**, potential liability, progress of any litigation or arbitration, any settlement demands and any investigation developments that materially affect the **Claim**;
 2. Providing any other reasonable information requested;
 3. Submission of itemized billing on a periodic basis at rates which are paid by the **Insurer** to other attorneys or law firms in the jurisdiction where the **Claim** is pending; and
 4. Cooperating with the **Insurer** in resolving any discrepancies with respect to the **Claim**.

SECTION III – SETTLEMENT OF CLAIMS

The **Insurer** shall investigate and settle a **Claim** in a manner that it deems appropriate. The **Insurer** shall not settle or compromise a **Claim** without the written consent of an **Insured**. If the **Insured** refuses to consent to a settlement or compromise acceptable to the **Insurer**, then the **Insurer's** duty to defend the **Insured** shall cease as of the date of the **Insured's** refusal to consent. Thereafter, the limit of liability applicable to such **Insured** shall be reduced to an amount equal to the **Damages** and **Claim Expenses** for which the **Claim** could have been settled or compromised, which amount shall not exceed the applicable Each Claim or Aggregate Limits Of Liability.

SECTION IV – DEFINITIONS

For purposes of this Policy, the terms in bold type shall have special meanings that are designated below. All other terms shall have those meanings commonly understood by professionals who are engaged in the business of insurance.

A. Agent means an **Insured** person or entity who:

1. Maintains a current membership with the **Sponsoring Company**;
2. Has elected to enroll for coverage under this Policy, either at the inception date of the **Policy Period** or prior to the expiration date of the **Policy Period**, and whose enrollment is on file with the **Sponsoring Company**;
3. Is shown as such in a Certificate Of Insurance;
4. Has paid the applicable premium;
5. Is licensed by all necessary federal, state or local governmental authorities to render **Professional Services** where both the **Agent** and client are located; and
6. Is properly registered as a representative of the **Broker/Dealer** with the Financial Industry Regulatory Authority (FINRA), if required for the rendering of **Professional Services**.

An **Agent** shall not be provided with coverage under Section I – Insuring Agreement **B. Managing Agents Management Liability**, unless the **Agent** is also a **Managing Agent**.

B. Application means:

1. The application for this Policy and for any policy issued by the **Insurer**, or any of its affiliates, of which this Policy is a direct or indirect renewal or replacement;
2. Any attachment to any such application;
3. Any other materials submitted with or incorporated into any such application; and
4. Any documents submitted in connection with the underwriting of any such policy.

C. Broker/Dealer means a firm acting as “broker” or “dealer” in **Securities**, as those terms are defined in Sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act of 1934, and any amendments thereto, and which is:

1. Registered with the Securities and Exchange Commission (SEC);
2. A member of FINRA; and
3. A **Subsidiary** of the **Sponsoring Company**.

D. Certificate Period means the period of time from the inception date and time shown in the Certificate Of Insurance to the earlier of the expiration date and time shown in the Certificate Of Insurance or the effective date of the termination of this Policy.

E. Claim means a written demand received by an **Insured** for **Damages** (including pleadings received in a civil litigation or arbitration) because of an actual or alleged **Wrongful Act** or, with respect to Section I – Insuring Agreement **B. Managing Agents Management Liability**, an actual or alleged **Management Wrongful Act**. A **Claim** does not include the following:

1. A demand for declaratory, injunctive or other non-monetary relief;
2. Any form of criminal proceeding; or
3. Any proceeding commenced by a governmental or quasi-governmental official or agency or any self-regulatory official or agency, including, but not limited to, any disciplinary proceedings by such official or agency, except if the agency or official is a client of the **Insured** in connection with the rendering of **Professional Services**.

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- F. Claim Expenses** means reasonable and necessary amounts incurred by the **Insurer**, or by the **Insured** with the prior written consent of the **Insurer**, in the defense of a **Claim** that is covered under this Policy, including attorneys' fees, costs of investigation, court or arbitration costs and premiums for appeal, attachment or similar bonds. The **Insurer**, however, is not required to provide such bonds. **Claim Expenses** do not include the wages, salaries, fees or costs of the directors, officers, employees, representatives, in-house counsel, agents or servants of any **Insured**.
- G. Damages** means monetary judgments, settlements or awards resulting from a **Claim**. **Damages** do not include the following:
1. Taxes, fines or penalties, unless incurred by a claimant and made part of a **Claim** against an **Insured**;
 2. Punitive or exemplary damages (unless insurable by law at two times compensatory);
 3. The multiplied portion of a multiplied damage award;
 4. The return, restitution, reduction, compromise or refund of commissions, fees or charges;
 5. Costs incurred as a result of non-monetary, declaratory or injunctive relief;
 6. Any matters that are deemed uninsurable under the law; and
 7. **Claim Expenses**.
- H. Insured** means:
1. An **Agent** or agency shown as such in a Certificate Of Insurance;
 2. A **Managing Agent** shown as such in a Certificate Of Insurance;
 3. A corporation, partnership or other business entity owned by and in which an **Agent** or **Managing Agent** has an ownership interest, or in which an **Agent** or **Managing Agent** is an employee, but solely with respect to the liability of such organization as it arises out of an **Agent** or **Managing Agent** rendering of or failing to render **Professional Services**. Coverage hereunder shall not be afforded for any actual or alleged **Wrongful Act** or **Management Wrongful Act** of such organization, but shall only apply to a **Claim** arising out of the actual or alleged **Wrongful Act** of an **Agent** or the **Management Wrongful Act** of a **Managing Agent**.
 4. A person acting on behalf of an **Agent** or **Managing Agent**, who was or is a partner, officer, director, stockholder, independent contractor or an employee of an **Agent** or **Managing Agent**, or the business entity of an **Agent** or **Managing Agent**, provided such person is not a party to an agent or general agent contract with any insurance company and only with respect to the **Professional Services** of an **Agent** or **Managing Agent**;
 5. Heirs, executors, administrators or legal representatives of an **Agent** or **Managing Agent**, in the event of death, incapacity or bankruptcy; and
 6. The **Sponsoring Company** shown as such in the Master Policy Declarations, but only with respect to coverage provided under Section I – Insuring Agreement C. Sponsoring Company Vicarious Liability.
- I. Insurer** means the insurance company providing this insurance shown in the Master Policy Declarations and Certificate Of Insurance.
- J. Interrelated Management Wrongful Acts** means any **Management Wrongful Acts** that are:
1. Similar, repeated or continuous; or
 2. Connected by reason of any common fact, circumstance, situation, transaction, causality, event, decision or policy or one or more series of causally or logically related facts, circumstances, situations, transactions, causalities, events, decisions or policies.
- K. Interrelated Wrongful Acts** means any **Wrongful Acts** that are:
1. Similar, repeated or continuous; or
 2. Connected by reason of any common fact, circumstance, situation, transaction, causality, event, decision or policy or one or more series of causally or logically related facts, circumstances, situations, transactions, causalities, events, decisions or policies.
- L. Managing Agent** means an **Insured** person shown as such in a Certificate of Insurance who is contracted with the **Sponsoring Company** or **Broker/Dealer** as a managing general agent, registered principal, manager or other designation for recruiting, selecting, hiring, contracting, supervising or training of agents or registered representatives and who otherwise qualified as an **Agent**.

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- M. Management Wrongful Act** means a negligent act, error or omission committed by a **Managing Agent** in the course of:
1. Recruiting, selecting, hiring, contracting, supervising or training an **Agent**, but only with respect to such **Agent's Professional Services**; or
 2. Terminating a contract between an **Agent** and the **Managing Agent** or **Sponsoring Company** or **Broker/Dealer**; provided, however, that a **Management Wrongful Act** shall not include any form of actual or alleged discrimination, harassment, disparagement of an **Agent**, failure to promote or grant tenure, improper disciplinary action, improper evaluation or performance reviews, failure to provide an adequate workplace or employment procedures or any other employment-related acts besides those specifically referenced in Paragraphs **1.** and **2.** above.
- N. Personal Injury Act** means libel, slander, defamation, disparagement or violation of a right to privacy committed unintentionally during the course of rendering **Professional Services**.
- O. Policy Period** means the period of time from the inception date and time shown in the Master Policy Declarations to the earlier of the expiration date and time shown in the Master Policy Declarations or the effective date and time of the cancellation of this Policy.
- P. Professional Services** means:
1. The solicitation, sale or servicing of the following:
 - a. Life insurance, accident and health insurance, disability income insurance and annuities;
 - b. Workers' compensation as part of a 24-hour accident and health insurance product;
 - c. Employee benefit plans funded with those products listed herein in Subsections 1.a and 1.b;
 - d. Financial planning, advice and consultation solely in connection with any of the products listed in Subsections 1.a – 1.c; or
 - e. Notary public services.
 2. The sale or servicing of Property and Casualty Insurance.
- Professional Services** shall not include the solicitation, sale or administration of the following:
- a. Multiple Employer Welfare Arrangements or Voluntary Employee Beneficiary Associations, as defined by the Employee Retirement Income Security Act of 1974 and any amendments thereto; or
 - b. Section 79, 83, 412, 419 Plans or any other plans developed to provide tax deductions and advantages under the Internal Revenue Code, amendments thereto and any regulations promulgated thereunder.
- Q. Retroactive Date** means:
1. With respect to a **Claim** against an **Agent** arising out of or based upon the rendering of or failing to render any **Professional Services** defined in Paragraph **P.1.a., b., c.** and item **P.2.** of the definition of **Professional Services** above, the earlier of the date of the **Agent's** first:
 - a. Continuously renewed insurance agents professional liability coverage, which was in effect without interruption from the date of the **Wrongful Act** or first **Interrelated Wrongful Act** related to the **Claim** to the date when the **Claim** is first made, subject to submission of proof of such coverage to the **Insurer**; or
 - b. First uninterrupted and continuously effective agent contract with the **Sponsoring Company**.
 2. With respect to a **Claim** against an **Agent** arising out of or based upon the rendering of or failing to render any **Professional Services** as defined in Paragraph **P.1.d.** of the definition of **Professional Services** above, the date of the **Agent's** first uninterrupted and continuously effective registered representative contract with the **Broker/Dealer**.
 3. With respect to a **Claim** against a **Managing Agent** for a **Management Wrongful Act**, the date of the **Managing Agent's** first uninterrupted and continuously effective general agent, compliance officer, registered principal or manager contract with the **Sponsoring Company**.
- R. Securities** shall have the same meaning as the term used in the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940 or the Investment Advisors Act of 1940, and any amendments thereto.
- S. Sponsoring Company** means the insurance company or organization shown as such in the Master Policy Declarations, and any **Subsidiary**.

T. Subsidiary means a corporation in which the **Sponsoring Company**:

1. Owns, as of the inception date of the **Policy Period**, more than 50% of the issued and outstanding voting stock either directly or indirectly through one of more **Subsidiaries** and which corporation is engaged in **Professional Services**; or
2. Forms or acquires during the **Policy Period**, if the **Sponsoring Company** owns, directly or indirectly through one or more of its **Subsidiaries**, more than 50% of the issued and outstanding voting stock and which corporation is engaged in **Professional Services**, provided that notice of such formation or acquisition was disclosed to the **Insurer** within a reasonable time for it to consider any changes or modifications to this Policy which may be necessary, including, but not limited to, additional premium. Under no circumstances shall coverage be afforded to the newly acquired **Subsidiary** for a **Claim** arising out of or based upon a **Wrongful Act** committed prior to the date when the **Sponsoring Company** or one or more of its **Subsidiaries** acquired more than 50% of its issued and outstanding voting stock.

U. Wrongful Act means a negligent act or omission, including a **Personal Injury Act**, committed by an **Insured** in the rendering of or failing to render **Professional Services** to a client.

SECTION V – EXCLUSIONS

This Policy shall not apply to, and the **Insurer** shall pay neither **Damages** nor **Claim Expenses** for, any **Claim**:

- A.** For any actual or alleged sickness, disease, death or other bodily injury, including, but not limited to, emotional distress and mental anguish, or damage to or destruction of property, including loss of use thereof;
- B.** Against an **Insured**:
1. By or on behalf of any other **Insured**, any enterprise that owns, operates or controls an **Insured** or any enterprise that an **Insured** owns, operates or controls, provided, however, that this Exclusion shall not apply to any **Claim** otherwise covered under Section I – Insuring Agreement **B. Managing Agents Management Liability**;
 2. By or on behalf of any individual, company or entity that is not a client of the **Insured**, including, but not limited to, an insurance company or insurance agent or broker; provided, however, that this exclusion shall not apply to a **Claim** brought by or on behalf of an actual or alleged beneficiary of a product referenced in Paragraph 1. of Definition **P. Professional Services** above;
- C.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving:
1. Any **Wrongful Act** or **Management Wrongful Act** alleged in any **Claim** which has been reported, or any circumstance of which notice has been given, prior to the **Policy Period**, or before the effective date of the **Insured's** enrollment for coverage, under any other policy; or
 2. Any other **Wrongful Act** or **Management Wrongful Act**, whenever occurring, which together with a **Wrongful Act** or **Management Wrongful Act** which has been the subject of such **Claim** or notice, would constitute **Interrelated Wrongful Acts** or **Interrelated Management Wrongful Acts**, regardless of the legal grounds upon which such **Claim** is predicated upon any:
 - a. **Claim**, demand, suit, proceeding or investigation of which the **Insured** had knowledge, pending on or prior to the inception date of the **Policy Period**, or before the effective date of the **Insured's** enrollment for coverage hereunder; or
 - b. Fact, matter, circumstance, situation, transaction or event underlying or alleged in such demand, suit, proceeding, **Claim** or investigation, regardless of the legal grounds upon which such **Claim** is predicated;
- D.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any:
1. Actual or alleged dishonest, purposeful, malicious, fraudulent or criminal act or willful violation of any federal, state or local statute, by, at the direction of or with the knowledge of any **Insured**; or
 2. Gaining of profit, remuneration or monetary advantage to which an **Insured** is not legally entitled.

However, the **Insurer** shall continue to defend a **Claim** alleging any of the foregoing conduct until there is a judgment, final adjudication, adverse admission or finding of fact against any **Insured** as to such conduct, at which time the **Insured** shall reimburse the **Insurer** for the costs of defending the **Claim**. Moreover, an actual or alleged dishonest, purposeful, malicious, fraudulent or criminal act or willful violation of any federal, state or local statute of one **Agent** or **Managing Agent** will not be imputed to another **Agent** or **Managing Agent**;

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- E. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged conversion, commingling, use, handling, entrustment, safeguarding, inability to pay or failure to pay premiums, funds or any form of money;
- F. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged liability of others assumed by any **Insured** under an agreement, contract, guarantee or warranty unless the **Insured** would be liable in the absence of such agreement, contract, guarantee or warranty;
- G. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged rendering of services as an actuary, accountant, attorney, real estate agent, real estate broker, third-party claims administrator or expert witness, regardless of whether such services are incidental to the rendering of **Professional Services**; however, this exclusion shall not apply to tax advice provided to a client as a necessary part of rendering **Professional Services**;
- H. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged placement of a client's coverage or funds, directly or indirectly with any organization, entity or vehicle of any kind, nature or structure which is not licensed or authorized to do business in the state or jurisdiction with authority to regulate such business; however, this exclusion shall not apply to a **Claim** based upon or arising out of the placement of insurance or coverage with an eligible surplus lines insurer in the state or jurisdiction with authority to regulate such business;
- I. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged insolvency, receivership, conservatorship, liquidation, bankruptcy, failure or inability to pay of any company, organization, entity, vehicle or arrangement of any nature in which an **Insured** placed, recommended to be placed or obtained coverage or in which an **Insured** placed, recommended to be placed funds or an investment of any nature; however, this exclusion shall not apply to a **Claim** based upon or arising out of the placement, recommendation for placement or obtaining coverage with an insurance company rated by A.M Best's as B+ or better at the time when coverage is placed, recommended or obtained;
- J. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any pension plan, profit sharing plan, health and welfare or any other employee benefit plan or trust sponsored by an **Insured**, in which an **Insured** is a participant, trustee or named fiduciary;
- K. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any pension plan, profit sharing plan, health and welfare or any other employee benefit plan or trustor which are self-funded, in whole or in part;
- L. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any ownership, formation, operation or administration of any insurance company, captive, risk retention group, self-insurance program or purchasing group;
- M. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged:
 - 1. Unfair competition;
 - 2. Anti-competitive acts;
 - 3. Restraint of trade;
 - 4. Price fixing;
 - 5. Monopolization;
 - 6. Misuse of confidential or proprietary information;
 - 7. Copyright, patent, trade mark or trade secret infringement;
 - 8. Piracy, theft or conversion of ideas, employees, contacts or business methods; or
 - 9. Illegal, improper or deceptive advertisement;
- N. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged actual or alleged discrimination or harassment in any form or manner;
- O. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any failure, malfunction or breakdown of any computers, electrical, electronic or mechanical systems or machines;
- P. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged notarization of documents without authorization or without the signatory's actual presence before an **Insured**;

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- Q. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged guarantee, promise or warranty as to interest rates, market values, earnings, future values or future premiums or payments in connection with variable life insurance, variable annuities, scheduled premium annuities, mutual funds or **Securities**;
- R. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any **Securities** (other than variable life insurance, variable annuities and mutual funds) that were not authorized or approved by and actually processed through the **Broker/Dealer**;
- S. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any function of an **Insured** as a specialist or market maker for any **Securities**, an **Insured** failing to make a market for any **Securities**, or the purchase, sale or failure to sell **Securities** when the **Insured** is a specialist or market maker for such **Securities**;
- T. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving an **Insured's** actual or alleged exercise of discretionary authority over a client's assets, funds or liabilities, undertaking of trades or transactions on a discretionary basis or any trading or transactions without the express authority of a client; however, this exclusion shall not apply to an **Insured** providing asset allocation services pursuant to a written contract for a client's account that is funded exclusively with no-load mutual funds, no-load variable annuities, no-load variable life insurance or any investment for which no **Insured** received a commission;
- U. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving:
1. Promissory notes, viatical or life settlements, or any **Securities** backed by either viatical or life settlements;
 2. Commodities, commodity futures and option contracts, except for option contracts that are covered by ownership of the underlying **Securities**, cash or cash equivalent, not including margin;
 3. Any "junk bonds" or "high yield bonds" (for purposes of this exclusion, "junk bonds" or "high yield bonds" mean bonds which, at the time of purchase or sale were unrated or rated as below investment grade by any rating agency, including, but not limited to, Moody's bonds of Ba or lower or S&P bonds of BB or lower);
 4. Any **Securities** sold exclusively outside of the United States of America or Canada;
 5. Actual, attempted or threatened mergers, acquisitions, divestitures, tender offers, proxy contests, leveraged buy-outs, going private transactions, reorganizations, capital restructuring, recapitalization, fairness opinions, spin-offs, primary or secondary offerings of **Securities** (regardless of whether the offering is a public offering or a private placement) or other efforts to raise or furnish capital or financing for any company, corporation, enterprise or entity or disclosure requirements in connection with any of the foregoing, as well as any other investment banking activities;
 6. Structured settlements; however, this exclusion shall not apply to a **Claim** arising out of or based upon the sale or servicing of the underlying product, if otherwise covered by this Policy; and
 7. Any **Securities** that are wholly or partially owned by any **Insured**;
- V. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving actual or alleged use or disclosure, aiding or abetting use or disclosure or participation after the fact in use or disclosure of non-public or insider information as prohibited by any federal, state or local laws, statutes, regulations or ordinances, including but not limited to, the Insider Trading and Securities Fraud Enforcement Act of 1988, Section 10(b) of the Securities Exchange Act of 1934 and Securities Exchange Commission Rule 10b-5 thereunder;
- W. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving, actual or alleged advice, consultation or recommendations of any type of mortgage, including, but not limited to, a reverse mortgage, regardless of whether an incidental part of the rendering of **Professional Services**; and
- X. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving Callable CD's, ETS/ATM payphones, Debentures, CDO's, CMO's, 412(i), 419 Plans, unregistered securities, Medical Capital Note Programs, Desert Capital REIT, Provident Royalties, DBSI Management Products, Black Diamond Program, Shale Royalties, IMH Secured Loan, LLC, Geneva Exchange, LLC/The Geneva Organization, GWG L Bonds and/or GWG Holdings, Inc., ARC Hospitality Trust, United Development Funding IV ("UDF IV"), United Development Funding Income Fund V ("UDF V"), Atlas Growth Partners LP, Ascendant Capital, LLC/Ascendant Alternative Strategies, LLC, Northstar REIT, Exclude GPB Capital Holdings, LLC and/or any company, corporation, parent, subsidiary, partnership or other business entity directly or indirectly owned or controlled by or associated or affiliated with GPB Capital Holdings, LLC or any employee, partner, officer, director, agent, representative or other person associated with any of the foregoing.

SECTION VI – TERRITORY

This insurance applies to **Wrongful Acts** or **Management Wrongful Acts** committed anywhere in the world, provided that the **Claim** is made against an **Insured** in the United States of America, its territories or possessions, Puerto Rico or Canada.

SECTION VII – LIMITS OF LIABILITY

A. Limit Of Liability Each Claim:

Subject to Paragraph **B.** below, the limit of the **Insurer's** liability for **Damages** for a **Claim** made against an **Insured** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section **X** – Notice Of Claim below, or Extended Reporting Period, if applicable, shall not exceed the Limit Of Liability Each Claim shown in the Certificate Of Insurance.

The Limit Of Liability Each Claim does not include **Claim Expenses**. However, the **Insurer's** obligations under this Policy as to a **Claim** against an **Insured**, including the duty to defend and pay **Claim Expenses**, shall cease after the applicable Limit Of Liability Each Claim has been paid by the **Insurer** for **Damages**. The inclusion of multiple **Insureds** in a **Claim** shall not increase the applicable Limit Of Liability Each Claim. Only one Limit Of Liability Each Claim shall apply to such a **Claim**.

In addition to the applicable Limit of Liability, the **Insurer** will pay **Claim Expenses** up to \$1,000,000 for Each **Claim** Each **Insured** incurred by or at the direction of the **Insurer** in the defense of any **Claim** to which this insurance applies.

The Limit Of Liability Each Claim applicable to a **Claim** involving multiple **Insureds** shall be the single largest such Limit Of Liability, in the event that different Limits Of Liability Each Claim are implicated.

B. Limit Of Liability Aggregate:

The Limit Of Liability for **Damages** for all **Claims** made against an **Insured** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section **X** – Notice Of Claim below, or Extended Reporting Period, if applicable, shall not exceed the Limit Of Liability Aggregate shown in the Certificate Of Insurance.

The Limit Of Liability does not include **Claim Expenses**. However, the **Insurer's** obligations under this Policy as to all **Claims** against an **Insured**, including the duty to defend and pay **Claim Expenses**, shall cease after the applicable Limit Of Liability Aggregate has been paid by the **Insurer** for **Damages**.

In addition to the applicable Limit of Liability Aggregate, the **Insurer** will pay **Claim Expenses** up to \$1,000,000 Aggregate incurred by or at the direction of the **Insurer** in the defense of any **Claim** to which this insurance applies.

If multiple **Insureds** are implicated in a **Claim**, the Limit Of Liability Aggregate shown in the **Certificate of Insurance** for each implicated **Insured** shall be decreased in equal amounts.

C. Limits Of Liability Applicable To The Sponsoring Company:

The Limits Of Liability available to the **Sponsoring Company** for a **Claim** against the **Sponsoring Company** that is covered under Section **I** – Insuring Agreement **C.** Sponsoring Company Vicarious Liability, as well as other terms, limitations, exclusions and conditions of the Policy, shall be shared with and not in addition to the Limits Of Liability applicable to the **Agent** implicated by the **Claim**. As with all other **Insureds**, all of the **Insurer's** obligations as to the **Sponsoring Company**, including those pertaining to its defense, shall cease after the applicable Limits Of Liability are paid by the **Insurer** for **Damages**.

SECTION VIII – DEDUCTIBLE

A. The Deductible shown in the Certificate Of Insurance shall apply to **Damages**, if any, that are incurred in each **Claim**. The **Insured** must pay the Deductible to the **Insurer** at the time of settlement.

B. If multiple **Insureds** are implicated in a **Claim**, then only one Deductible shall apply to the **Damages** that may be incurred in such **Claim**. Such Deductible shall be the largest, in the event that different Deductibles are implicated by a **Claim**. The **Sponsoring Company** must pay the Deductible to the **Insurer** at the time of settlement.

SECTION IX – MULTIPLE CLAIMS

A. All **Claims** based upon or arising out of the same **Wrongful Act**, **Interrelated Wrongful Acts**, **Management Wrongful Act**, or **Interrelated Management Wrongful Acts**, shall be considered a single **Claim** and each such single **Claim** shall be deemed to have been made on the earlier of the following:

1. When the earliest **Claim** arising out of such **Wrongful Act**, **Interrelated Wrongful Acts**, **Management Wrongful Act**, or **Interrelated Management Wrongful Acts** was first made; or

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2. When notice was provided concerning a **Wrongful Act, Interrelated Wrongful Acts, Management Wrongful Act, or Interrelated Management Wrongful Acts** giving rise to such **Claim** under the Policy or any other policy; regardless of whether before the **Policy Period** or the term of any preceding policy.

B. Such single **Claim** shall be subject to one Limit Of Liability Each Claim and one Deductible, even if involving multiple claimants, **Insureds** or proceedings.

SECTION X – NOTICE OF CLAIM

A. As a condition precedent to the obligations of the **Insurer** under this Policy, an **Insured** shall give the **Insurer** written notice of a **Claim** made against the **Insured** as soon as practicable, but in no event later than either:

1. The end of the **Certificate Period**, or Extended Reporting Period, if applicable;
2. 30 days after the end of the **Policy Period**, or Extended Reporting Period, if applicable, as long as such **Claim** is first made within the final 30 days of the **Policy Period** or Extended Reporting Period; or
3. Notwithstanding the requirements of 1. and 2. above, if continuous coverage is in effect pursuant to consecutive policies issued by the **Insurer**, a **Claim** may be reported to the **Insurer** in writing, as soon as practicable, during the policy period consecutive to and immediately following this **Policy Period** without constituting a violation of this provision. In such condition, the **Claim** will be deemed reported on the last day of the **Policy Period**.

B. Written notice of a **Claim** shall be addressed to the **Insurer**.

C. A **Claim** shall be deemed reported at the time when the **Insurer** receives written notice.

D. The **Insured** shall provide the **Insurer** with copies of all documents received by the **Insured** concerning a **Claim**, including, but not limited to, a summons, complaint, statement of claim or any other papers served in a civil litigation or arbitration. In addition, the **Insured** shall provide the **Insurer** with the following:

1. The name of the claimant;
2. The name of each **Insured** involved in the **Claim**;
3. A detailed description of the **Wrongful Act** or **Management Wrongful Act** giving rise to the **Claim**;
4. The **Damages** that may result from the **Claim**; and
5. The circumstances by which the **Insured** became aware of the **Claim**.

SECTION XI – NOTICE OF A WRONGFUL ACT OR MANAGEMENT WRONGFUL ACT

A. An **Insured** may provide the **Insurer** with written notice of a **Wrongful Act** or **Management Wrongful Act** committed during the **Certificate Period** which reasonably may be expected to give rise to a **Claim** as soon as practicable after the **Wrongful Act** or **Management Wrongful Act** becomes known to the **Insured**. Such notice may not be provided after the **Certificate Period** expires, nor during any Extended Reporting Period.

B. The **Insured** shall provide the **Insurer** with the following concerning any such **Wrongful Act** or **Management Wrongful Act**:

1. The name of the potential claimant;
2. The name of each **Insured** allegedly responsible for such **Wrongful Act** or **Management Wrongful Act**;
3. A detailed description of the fact, allegation, circumstance or situation that could result in a **Claim**;
4. The **Damages** that may result from the **Wrongful Act** or **Management Wrongful Act**;
5. The circumstances by which the **Insured** became aware of the **Wrongful Act** or **Management Wrongful Act**; and
6. The reasons for anticipating a **Claim**.

C. A **Claim** arising from a **Wrongful Act** or **Management Wrongful Act** and reported in accordance with Paragraphs A. and B. above shall be deemed to have been first reported when the **Insurer** receives written notice of the **Wrongful Act** or **Management Wrongful Act**.

D. Such written notice of a **Wrongful Act** or **Management Wrongful Act** which reasonably may be expected to give rise to a **Claim** must be given to the **Insurer**.

SECTION XII – ASSISTANCE AND COOPERATION

- A. The **Insured** shall cooperate with the **Insurer** and provide such assistance and information as the **Insurer** may reasonably request, including submission to examination and interrogation by a representative of the **Insurer**, under oath if required. The **Insured** shall assist with the defense of a **Claim** and shall attend hearings, depositions, trials and otherwise assist in the conduct of suits, including but not limited to effecting settlement, securing evidence and giving evidence, obtaining the attendance of witnesses, and giving written statements to the **Insurer's** representatives.
- B. The **Insured** shall not take any action which may increase exposure or **Damages**. The **Insured** shall not admit liability, agree to settlement, mediation or arbitration of any **Claim** or incur any cost or expense without the written consent of the **Insurer** which shall not be unreasonably withheld.
- C. If any **Insured** shall commit fraud in reporting any **Claim**, the insurance provided by this Policy shall be void from the date such fraudulent **Claim** is reported to the **Insurer**.

SECTION XIII – EXTENDED REPORTING PERIODS

A. Optional Group Extended Reporting Period

- 1. In the event of cancellation or non-renewal of this Policy by the **Insurer**, the **Sponsoring Company**, on behalf of the **Insureds**, shall have the right to purchase an Extended Reporting Period for payment of an additional premium equal to 200% of the total annual premium paid for the Policy. Such an Extended Reporting Period, if purchased, shall be for 3 years commencing on the date of cancellation or non-renewal and ending 36 months thereafter. During this Extended Reporting Period, if purchased, the **Insureds** may report **Claims** for **Wrongful Acts** or **Management Wrongful Acts** occurring on or after the **Retroactive Date** but before the date of cancellation or non-renewal. A **Claim** reported under the Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** or **Management Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period.
- 2. Notwithstanding any of the provisions of this Policy, the Extended Reporting Period provided herein shall not apply if an **Insured** has other insurance that applies to a **Claim**, in whole or in part.
- 3. The Extended Reporting Period provided herein shall not apply if the **Sponsoring Company** terminates the Policy as provided for in Section **XIV** – Termination Of Coverage below or decides not to renew this Policy.
- 4. The Extended Reporting Period provided herein shall not reinstate, increase or affect the applicable Limits Of Liability nor extend the **Certificate Period**.
- 5. The Extended Reporting Period provided herein shall include, and not be in addition to, the Extended Reporting Periods provided by Paragraph **B.** below.

B. Automatic Agent Or Managing Agent Extended Reporting Period Due To Disability, Retirement Or Death

- 1. If an **Agent** or **Managing Agent** becomes disabled, retires from the business of providing **Professional Services**, or dies, then such **Insured** or the estate of the deceased **Insured** shall have an automatic Extended Reporting Period of 2 years commencing on the date of the **Insured's** disability, retirement or death and ending 24 months thereafter during which to report **Claims** for **Wrongful Acts** or **Management Wrongful Acts** occurring on or after the **Retroactive Date** but before the **Insured's** disability, retirement or death. A **Claim** reported under this Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** or **Management Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period.
- 2. Notwithstanding any other provision of this Policy, the Extended Reporting Period provided herein shall not apply if an individual **Insured** or the estate of a deceased **Insured** has other insurance that applies to a **Claim**, in whole or in part.
- 3. The Extended Reporting Period provided herein shall not reinstate, increase or otherwise affect the applicable Limits Of Liability nor extend the **Certificate Period**.
- 4. A **Claim** which is properly reported during this Extended Reporting Period will be deemed to have been first made on the last day of the **Certificate Period**.
- 5. The Extended Reporting Period provided herein shall only apply if the **Insurer** continues coverage under a renewal or replacement policy issued to the **Sponsoring Company** 2 years after the **Insured's** disability, retirement or death. In the event that the **Insurer** does not continue coverage, the Extended Reporting Period provided herein shall end 30 days after the expiration date of the last policy issued by the **Insurer** to the **Sponsoring Company**.

C. Optional Agent Or Managing Agent Extended Reporting Period Due To Disability, Retirement Or Death

1. If an **Agent** or **Managing Agent** becomes disabled or retires from the business of providing **Professional Services**, or dies, then such **Insured** or the estate of the deceased **Insured** may elect to purchase one of the following Optional Extended Reporting Periods:
 - a. 3 years commencing on the date of the **Insured's** disability, retirement or death and ending 36 months thereafter during which to report **Claims** for **Wrongful Acts** or **Management Wrongful Acts** occurring on or after the **Retroactive Date** but before the **Insured's** disability, retirement or death. A **Claim** reported under this Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** or **Management Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period. The cost of such optional Extended Reporting Period shall be 200% of the **Insured's** last annual premium, and must be paid within 60 days after termination of such **Agent's** contract with the **Sponsoring Company** because of disability, retirement or death.
 - b. 5 years commencing on the date of the **Insured's** disability, retirement or death and ending 60 months thereafter during which to report **Claims** for **Wrongful Acts** or **Management Wrongful Acts** occurring on or after the **Retroactive Date** but before the **Insured's** disability, retirement or death. A **Claim** reported under this Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** or **Management Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period. The cost of such optional Extended Reporting Period shall be 300% of the **Insured's** last annual premium, and must be paid within 60 days after termination of such **Agent's** contract with the **Sponsoring Company** because of disability, retirement or death.
 - c. An unlimited amount of time commencing on the date of the **Insured's** disability, retirement or death during which to report **Claims** for **Wrongful Acts** or **Management Wrongful Acts** occurring on or after the **Retroactive Date** but before the **Insured's** disability, retirement or death. A **Claim** reported under this Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** or **Management Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period. The cost of such optional Extended Reporting Period shall be 400% of the **Insured's** last annual premium, and must be paid within 60 days after termination of such **Agent's** contract with the **Sponsoring Company** because of disability, retirement or death.
2. Notwithstanding any other provision of this Policy, the Extended Reporting Period provided herein shall not apply if an individual **Insured** or the estate of a deceased **Insured** has other insurance that applies to a **Claim**, in whole or in part.
3. The Extended Reporting Period provided herein shall not reinstate, increase or otherwise affect the applicable Limits Of Liability nor extend the **Certificate Period**.
4. A **Claim** which is properly reported during this Extended Reporting Period will be deemed to have been first made on the last day of the **Certificate Period**.

SECTION XIV – TERMINATION OF COVERAGE

A. Applicable To Agent Or Managing Agent

1. The coverage afforded by this Policy shall terminate upon the earlier of:
 - a. The expiration date of the **Certificate Period**; or
 - b. Cancellation as provided by Paragraph C. below.
2. The **Agent** or **Managing Agent** may terminate participation in this Policy by sending written notice to the **Sponsoring Company** at the **Sponsoring Company's** address shown in the Certificate Of Insurance with the effective date of termination being not less than 30 days thereafter.

B. Applicable To Sponsoring Company

1. The coverage afforded by this Policy shall terminate upon the earlier of:
 - a. The expiration date of the **Certificate Period**; or
 - b. Cancellation as provided by Paragraph C. below.
2. The **Sponsoring Company** may terminate the Policy by sending written notice to the **Insurer** with the effective date of termination being not less than 30 days thereafter. Proof of mailing the notice of termination shall be sufficient proof of such notice. If the **Sponsoring Company** terminates the Policy, the **Insurer** shall be deemed to have fully earned the premium for the Policy.

C. Applicable To Insurer

1. This Policy may be terminated by the **Insurer**, for other than failure to pay a premium when due, by providing written notice to the **Sponsoring Company** at the **Sponsoring Company's** address shown in the Master Policy Declarations with the effective date of termination being not less than 60 days thereafter. Proof of mailing the notice of termination shall be sufficient proof of such notice. If the **Insurer** terminates the Policy, the **Sponsoring Company** shall receive a return of premium to be computed on a short rate basis proportional to the length of time from the inception date of the **Policy Period** to the termination date.
2. This Policy may be cancelled by the **Insurer** because of failure to pay a premium when due by providing written notice to the **Sponsoring Company** at the **Sponsoring Company's** address shown in the Master Policy Declarations with the effective date of termination being not less than 10 days thereafter. Proof of mailing the notice of termination shall be sufficient proof of such notice.

Nothing contained herein shall limit, abrogate or negate the rights of the **Insurer** under law and equity to declare that the Policy is void based on material misrepresentations or omissions contained in the **Application**.

SECTION XV – OTHER INSURANCE

- A. If any **Insured** has other insurance for a **Claim** made and reported during the **Policy Period**, or as allowed by Section X – Notice Of Claim, or Extended Reporting Period, if applicable, then this Policy shall be excess over any other valid and collectible insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.
- B. The foregoing shall not apply if such other insurance is specifically intended to be excess over the coverage afforded by this Policy.
- C. If a **Claim** is covered by this Policy and another policy issued by the **Insurer** or any company or entity affiliated with the **Insurer**, regardless of the **Insured** included in a **Claim**, then a single Limit Of Liability and single Deductible shall apply under both policies to the **Claim**. The single Limit Of Liability applicable to the **Claim** shall be the largest such Limit Of Liability under the policies. The Deductible applicable to the **Claim** shall likewise be the largest under the policies.

SECTION XVI – SUBROGATION

- A. In the event that the **Insurer** pays **Damages** or **Claim Expenses** on behalf of any **Insured**, the **Insurer** shall be subrogated to all of the **Insured's** rights of recovery, contribution, indemnification and apportionment against any third party implicated in a **Claim**. The **Insured** shall do nothing before or after the **Insurer's** payment of **Damages** or **Claim Expenses** that would waive, prejudice or impair the **Insurer's** subrogated rights of recovery, contribution, indemnification or apportionment.
- B. The **Insured** shall execute all papers required and shall do everything that may be necessary to secure and preserve any rights of recovery, contribution, indemnification or apportionment which the **Insured** may have, including the execution of such documents as are necessary to enable the **Insurer** to commence proceedings in any **Insured's** name. The **Insured** shall provide all other assistance and cooperation which the **Insurer** may reasonably require.

SECTION XVII – OTHER PROVISIONS

A. Entire Agreement

The terms and provisions of this Policy shall not be waived, changed or modified, unless by endorsement. Notices to, by or from any agent, representative or servant of any **Insured** or the **Insurer** shall not affect a waiver, change or modification of the Policy and shall not prevent the **Insurer** from asserting any rights under the Policy.

B. Assignment

This Policy and any and all rights hereunder are not assignable without the written consent of the **Insurer**.

C. Authorization

By acceptance of this Policy, the **Sponsoring Company** agrees to act on behalf of the **Insureds** for all purposes including but not limited to the negotiation of the terms of the Policy, payment of or return of premiums, receipt and acceptance of any endorsement issued to form a part of the Policy and giving and receiving notice of cancellation, termination or non-renewal of the Policy.

D. Action Against The Insurer

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

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2. No person, organization or entity shall have the right under this Policy to join any **Insured** in any action or proceeding against an **Insurer** to determine the **Insurer's** liability nor shall the **Insurer** be impleaded in an action or proceeding by any **Insured** or the legal representative of such **Insured**.

E. Bankruptcy

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

F. Conformance to Statute

Terms of this Policy which are in conflict with the statutes of the State wherein this Policy is issued are hereby amended to conform to such statutes.

G. Headings

The descriptions in the headings and any subheading of this Policy (including any titles given to any endorsement attached hereto) are inserted solely for convenience and do not constitute any part of the terms or conditions hereof.

**MARKEL AMERICAN INSURANCE COMPANY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED ENTITY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is understood and agreed that:

- I. The **Insurer** shall pay on behalf of the **Additional Insured Entity**, subject to the shared Limits of Liability, all sums in excess of the Deductible shown in the Certificate of Insurance that the **Additional Insured Entity** is legally obligated to pay as **Damages** and **Claim Expense** because of a **Claim** first made against the **Additional Insured Entity** and reported to the **Insurer** in writing during the **Certificate Period**, or any applicable Extended Reporting Period of this Policy, provided that:
 1. The liability of the **Additional Insured Entity** arises solely out of the negligence act, error or omission of the **Insured** in the performance of or failure to perform **Professional Services** and would otherwise be covered under SECTION I.A.;
 2. The Limits of Liability available to the **Additional Insured Entity** for such **Claim** shall be shared with the Limits of Liability that are applicable to the **Insured**. Such Limits of Liability shall not be in addition to the **Insured's** Limits of Liability; and
 3. The **Additional Insured Entity** shall be subject to all of the terms, conditions, limitations and exclusions of the Policy to the same extent as the **Insured** and shall not be entitled to any rights greater than those available to the **Insured**.
- II. The following is added to SECTION IV. – DEFINITIONS

Additional Insured Entity means the entity(s) listed below.

- 1) Professional Insurance Associates, Inc.
1100 Industrial Rd. #3
San Carlos, CA 94070
- 2) PIA Select Insurance Solutions, LLC
2270 Douglas Blvd. Ste 212
Roseville, CA 95661

All other terms and conditions remain unchanged.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER MANAGEMENT COVERAGE ENDORSEMENT

CLAIM EXPENSES, AS WELL AS DAMAGES, ARE INCLUDED WITHIN AND WILL REDUCE THE LIMITS OF LIABILITY.

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED LIFE INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

SCHEDULE

Cyber Management Limits Of Liability:	\$100,000	Each Claim
	\$100,000	Agent Aggregate
	\$1,000,000	Coverage Aggregate
Cyber Management Deductible:	\$5,000	

A. The following is added to Section I – Insuring Agreements:

Cyber Management

1. The **Insurer** shall pay, on behalf of the **Agent**:

- a. **Cyber Management Expenses** incurred by an **Agent** with the **Insurer's** prior written consent that are a direct result of a **Network Security Breach, Privacy Violation** or any **Interrelated Breaches/Violations**, provided the **Cyber Management Expenses** are reported to the **Insurer** during the **Certificate Period**, or as allowed by Section **X** – Notice of Claim, or during an Extended Reporting Period, if applicable;
- b. **Damages** and **Claim Expenses** which an **Agent** shall become legally obligated to pay because of actual monetary loss by the **Agent's** client as the direct result of a **Network Security Breach, Privacy Violation** or any **Interrelated Breaches/Violations**, provided a **Claim** is both made against the **Insured** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section **X** – Notice of Claim, or during an Extended Reporting Period, if applicable; and
- c. **Credit Monitoring Costs** incurred by an **Agent** with the **Insurer's** prior written consent that are the direct result of a **Network Security Breach** or **Privacy Violation** that directly results in theft or unauthorized copying of **Personal Information** and may reasonably be expected to result in **Identity Theft**, provided the **Credit Monitoring Costs** are reported to the **Insurer** during the **Certificate Period**, or as allowed by Section **X** – Notice of Claim, or during an Extended Reporting Period, if applicable.

2. This **Cyber Management** coverage applies only if:

- a. Such **Network Security Breach, Privacy Violation** or any **Interrelated Breaches/Violations** occurred on or after the **Retroactive Date** and before the end of the **Certificate Period**; and
- b. As of the inception date of this Policy as shown in the Master Policy Declarations, no **Insured** had knowledge or reasonable basis upon which to anticipate that the **Network Security Breach, Privacy Violation** or any **Interrelated Breaches/Violations** could result in **Cyber Management Expenses, Damages, Credit Monitoring Costs** or any loss that may be sustained by a client.

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B. For the purpose of this endorsement, the following definitions in Section IV – Definitions are amended:

F. **Claim Expenses** do not include **Cyber Management Expenses** or **Credit Monitoring Costs**.

U. **Wrongful Act** also means **Network Security Breach, Privacy Violation** or any **Interrelated Breaches/Violations** of an **Agent**, but only with respect to **Cyber Management** coverage.

C. For the purpose of this endorsement, the following definitions are added to Section IV – Definitions:

Agent's Computer System means any computer hardware, software or firmware, and components thereof including data stored thereon, that is owned or leased by an **Agent** and is under the direct operational control of an **Agent**.

Credit Monitoring Costs means the costs for retaining a third party service provider approved by the **Insurer** and with the **Agent's** prior written consent to provide **Credit Monitoring Services** to those individuals who were victims of theft or unauthorized copying of **Personal Information**.

Credit Monitoring Services means the services that allow individuals to access and review their credit reports to determine if **Identity Theft** has occurred.

Cyber Management Expenses means necessary and reasonable expenses to hire an attorney, selected from the **Insurer's** panel counsel, to determine whether any breach notice laws apply and the obligations of any such applicable laws including the drafting of letters to satisfy the applicable law, including the cost to notify those effected by the **Network Security Breach** or **Privacy Violation**, or to provide **Credit Monitoring Services** to the **Agent's** clients. **Cyber Management Expenses** shall also include approved expenses incurred by the **Agent** to respond to a regulatory action commenced or pending solely against the **Agent** and not involving the **Sponsoring Company**, and the hiring of a public relations firm to communicate with the **Agent's** clients in order to mitigate the reputational damage of the **Agent** directly resulting from a **Network Security Breach** or **Privacy Violation**.

Identity Theft means the theft or unauthorized copying of **Personal Information** of a client of the **Agent**, and use of such **Personal Information** to open new financial accounts for the purpose of fraudulently impersonating such individual, including without limitation, payment card accounts, bank accounts, loan accounts, health insurance accounts and insurance accounts.

Interrelated Breaches/Violations means **Network Security Breaches** and/or **Privacy Violations** that are:

1. Similar, repeated or continuous; or
2. Connected by reason of any common fact, circumstance, situation, transaction, causality, event, decision or policy or one or more series of causally or logically related facts, circumstances, situations, transactions, causalities, events, decisions or policies.

Network Security Breach means:

1. The actual failure and inability to prevent:
 - a. Unauthorized access to or unauthorized use of **Personal Information** stored in the **Agent's Computer System**; or
 - b. The theft or unauthorized copying of **Personal Information** on the **Agent's Computer System**; or
2. The actual failure and inability to prevent the theft of **Personal Information** as a result of the physical theft by a person other than an **Insured** of the **Agent's Computer System** from premises occupied and controlled by the **Agent**.

Personal Information means:

1. The name of an **Agent's** client in combination with any one or more of the following:
 - a. Social security number;
 - b. Driver's license number or any other state identification number;
 - c. Medical or healthcare data, including protected health information; or
 - d. Any financial account number, credit or debit card number in combination with any required password, access code or other security code that would permit access to the financial account;not including any lawfully available data accessible by the general public; or
2. Non-public personal information as defined in any **Privacy Regulation**.

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Privacy Regulation means those parts of the following statutes or regulations regulating the use and protection of non-public personal information (as defined in such statutes or regulations):

1. Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the rules and regulations promulgated thereunder, as amended;
2. Gramm-Leach Bliley Act of 1999 (GLBA) and the rules and regulations promulgated thereunder, as amended;
3. Consumer protection and unfair and deceptive trade practice laws enforced by state Attorneys General or the Federal Trade Commission, including but not limited to, Section 5(a) of the FTC Act 15;
4. Security breach notification laws that require notice to individuals of the actual or potential theft of their non-public personal information, including but not limited to, the California Security Breach Notification Act of 2003 (CA SB 1386); or
5. Other state, federal or foreign privacy laws requiring reasonable security for non-public personal information, or a privacy policy limiting the sale, disclosure or sharing of non-public personal information or providing individuals with the right to access or correct non-public personal information.

Privacy Violation means any:

1. Theft of **Personal Information** while in the care, custody or control of an **Agent**; or
2. Violation of a **Privacy Regulation**.

D. For the purposes of this endorsement, the following are added to Section V – Exclusions:

This Policy shall not apply to, and the **Insurer** shall pay neither **Cyber Management Expenses**, **Credit Monitoring Costs**, **Damages** nor **Claim Expenses**:

1. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged:
 - a. Costs or expenses for the reprinting, reposting, recall, removal or disposal of any online content or any other information, content or media, including any media or products containing such online content, information, content or media;
 - b. Wear and tear or gradual deterioration of any data saved on an **Agent's Computer System**;
 - c. Costs or expenses incurred by any **Insured** or others:
 - (1) To recall, repair, withdraw, replace, upgrade, supplement or remove the **Agent's** online content, products or services from the marketplace, including but not limited to products or services which incorporate the **Agent's** online content, products or services; or
 - (2) For any loss of use by any **Insured** or others that arises out of such recall, repair, withdrawal, replacement, upgrade, supplement or removal;
 - d. Failure to use best efforts to install commercially available software product updates and releases, or to apply security related software patches, to the **Agent's Computer System**;
 - e. Seizure, confiscation, destruction or nationalization of **Agent's Computer System**; or any data accessed by or on behalf of any governmental or public authority;
 - f. Interruption, suspension, failure or outage of any component of the Internet, including without limitation, any hardware or software infrastructure supporting the Internet;
 - g. Fine or penalty arising out of any agreement by any **Insured** to comply with or follow the PCI Standard or any Payment Card Company rules, or to implement, maintain or comply with any security measure(s) or standards related to any payment card data;
 - h. Unsolicited electronic faxes, emails, telephone calls or unsolicited communications, including but not limited to unsolicited electronic messages, chat room postings, bulletin board postings, newsgroup postings, pop-up or pop-under Internet advertising or fax-blasting, direct mailing or telemarketing, or actual or alleged violations of the Telephone Consumer Protection Act of 1991, as amended, the CAN-SPAM Act of 2003, as amended, and any other federal, foreign or state anti-spam statutes, or federal, foreign or state statute, law or regulation relating to a person's right to seclusion;

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- i. Unauthorized or illegal collection of **Personal Information**, including but not limited to the collection of **Personal Information** using cookies, spyware, or other malicious code, or the failure to provide adequate notice that **Personal Information** is being collected;
 - j. Liability of the **Sponsoring Company**; or
 - k. Data in the control of the **Sponsoring Company**;
2. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any Section 605 (requirements relating to information contained in consumer reports) or Section 616 (civil liability for willful noncompliance) of the Fair Credit Reporting Act, or any other similar federal, state or local laws or regulations, including but not limited to any laws or regulations requiring truncation of payment card numbers on, or the removal of the expiration date from, payment card receipts; or
3. Covered in whole or in part under any other insurance.
- E. For purposes of this endorsement, the following is added to Section **VII** – Limits Of Liability:

Cyber Management Limits Of Liability

The Cyber Management Limits Of Liability are subject to Paragraphs **A.** and **B.** of Section **VII** – Limits Of Liability.

Subject to the Cyber Management Limits Of Liability Agent Aggregate and Coverage Aggregate, the limit of the **Insurer's** liability for **Cyber Management Expenses, Damages, Credit Monitoring Costs** and **Claim Expenses** incurred in each **Network Security Breach** or **Privacy Violation** reported by an **Agent** to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section **X** – Notice of Claim, or Extended Reporting Period, if applicable, shall not exceed the Cyber Management Limit Of Liability Each Claim shown in the Schedule of the endorsement. The inclusion of multiple **Agents** or clients in **Interrelated Breaches/Violations** shall not increase the Cyber Management Limit Of Liability Each Claim shown in the Schedule of this endorsement.

The Limit Of Liability for all **Cyber Management Expenses, Damages, Credit Monitoring Costs** and **Claim Expenses** incurred in all **Network Security Breaches** or **Privacy Violations** submitted by an **Agent** in writing during the **Certificate Period** shall not exceed the Cyber Management Limit Of Liability Agent Aggregate shown in the Schedule of this endorsement.

The Cyber Management Limit Of Liability Each Claim and Cyber Management Limit Of Liability Agent Aggregate are part of, subject to and do not increase the Cyber Management Limit Of Liability Coverage Aggregate as shown in the Schedule of this endorsement.

The **Insurer's** obligations under this Policy, including the duty to defend, shall cease after the applicable Limit Of Liability has been paid by the **Insurer** for all **Cyber Management Expenses, Damages, Credit Monitoring Costs** or **Claim Expenses**.

The Cyber Management Limits Of Liability shown in the Schedule of this endorsement are part of, and not in addition to the Limits Of Liability shown in the Certificate Of Insurance.

- F. The following is added to Section **VIII** – Deductible:

The Cyber Management Deductible shown in the Schedule of this endorsement applies to **Cyber Management Expenses, Damages, Credit Monitoring Costs** and **Claim Expenses** incurred in each **Network Security Breach, Privacy Violation** or **Interrelated Breaches/Violations**.

All other terms and conditions remain unchanged.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is here by understood and agreed that:

I. The following is added to the end of Section III. - SETTLEMENT OF CLAIMS:

At the **Insurer's** sole discretion, the Insurer may pay part or all of the each **Claim** deductible to settle any **Claim**, and when notified, the **Insured** agrees to promptly reimburse the Insurer for the amount it has paid.

II. The following are added to Section XV. - OTHER INSURANCE

Failure to Reimburse Deductible

If the **Insured** fails to promptly reimburse the **Insurer** for deductible amounts it has paid, such failure will be considered equivalent to nonpayment of premium for purposes of Section XIV – TERMINATION OF COVERGE.

Deductible Reduction Credit

If the **Insured** has been continuously insured by the **Insurer** under a COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY and has not had a **Claim** during the last three **Policy Periods**, the Deductible will be reduced by 50% for the first covered **Claim** made during the current **Policy Period**.

All other terms and conditions remain unchanged.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INSURED AMENDED ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is understood and agreed that the Policy is amended as follows:

I. The following is added to Section IV.H:

Insurance Associates Specialty Agency, Inc.

II. Solely with respect to Insurance Associates Specialty Agency, Inc. the Declarations is amended as follows:

Limit of Liability:

\$1,000,000 Each Claim

\$1,000,000 Aggregate Each Insured

Deductible:

\$N/A

All other terms and conditions remain unchanged.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOLD AND FUNGUS EXCLUSION ENDORSEMENT

In consideration of the premium charged, it is hereby understood and agreed as follows:

I. Section V. EXCLUSIONS, is amended to add the following:

This Policy does not apply to any **Claim** based upon or arising out of water intrusion, condensation or other accumulation of moisture that results directly or indirectly in the presence of:

1. any FUNGUS(I) or SPORE(S); or
2. any substance, vapor or gas produced by or arising out of any FUNGUS(I) or SPORE(S).

II. For the purposes of this Endorsement, the Section IV. DEFINITIONS is amended to add the following:

1. FUNGUS(I) includes but is not limited to:
 - a) any form or type of mold, mushroom or mildew,
 - b) any other fungal structure, and
 - c) any volatile organic compounds, mycotoxins, allergenic proteins or other substances or gases produced by or arising out of any mold, mushroom, mildew, fungal structure or SPORE(S).
2. SPORE(S) means any reproductive body produced by or arising out of any FUNGUS(I).

All other terms and conditions of this Policy remain unchanged.

**MARKEL AMERICAN INSURANCE COMPANY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW AGENTS ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is understood and agreed that the Policy is amended as follows:

New Agents may select Coverage Level Option 1. – Personal Lines Property & Casualty Insurance Sales and Servicing, Coverage Level Option 2. – Property & Casualty Insurance Sales and Servicing, or Coverage Level Option 3. – Property & Casualty Insurance and Life Insurance Sales and Servicing:

Coverage Level Option 1 – Personal Lines Property & Casualty Insurance Sales and Servicing only:

A. Section IV. – DEFINITIONS, Paragraph P. Professional Services, shall be deleted in its entirety and replace with the following:

Professional Services means:

1. The solicitation, sale or servicing of Personal Lines Property and Casualty Insurance.

Professional Services shall not include the solicitation, sale or administration of the following:

- a. Commercial Lines Property and Casualty Insurance; or
- b. Life Insurance, Health Insurance, Accident & Disability Insurance, Annuities; or
- c. Multiple Employer Welfare Arrangements or Voluntary Employee Beneficiary Associations, as defined by the Employee Retirement Income Security Act of 1974 and any amendments thereto; or
- d. Section 79, 83, 412, 419 Plans or any other plans developed to provide tax deductions and advantages under the Internal Revenue Code, amendments thereto and any regulations promulgated thereunder.

Coverage Level Option 2 – Property & Casualty Insurance Sales and Servicing only:

Professional Services means:

1. The solicitation, sale or servicing of Property and Casualty Insurance.

Professional Services shall not include the solicitation, sale or administration of the following:

- a. Life Insurance, Health Insurance, Accident & Disability Insurance, Annuities; or
- b. Multiple Employer Welfare Arrangements or Voluntary Employee Beneficiary Associations, as defined by the Employee Retirement Income Security Act of 1974 and any amendments thereto; or
- c. Section 79, 83, 412, 419 Plans or any other plans developed to provide tax deductions and advantages under the Internal Revenue Code, amendments thereto and any regulations promulgated thereunder.

Coverage Level Option 3 – Property & Casualty Insurance and Life Insurance Sales and Servicing only:

Professional Services means:

1. The solicitation, sale or servicing of Property and Casualty Insurance; or
2. Life Insurance, Health Insurance, Accident & Disability Insurance, Annuities.

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Professional Services shall not include the solicitation, sale or administration of the following:

- a. Multiple Employer Welfare Arrangements or Voluntary Employee Beneficiary Associations, as defined by the Employee Retirement Income Security Act of 1974 and any amendments thereto; or
- b. Section 79, 83, 412, 419 Plans or any other plans developed to provide tax deductions and advantages under the Internal Revenue Code, amendments thereto and any regulations promulgated thereunder.

B. For the purpose of this Endorsement, **New Agent** means an **Insured** person who:

1. Maintains a current membership with the **Sponsoring Company** and has less than 36 months of insurance experience;
2. Selected Coverage Level Option 1, 2 or 3;
3. Has elected to enroll for coverage under this Policy, either at the inception date of the **Policy Period** or prior to the expiration date of the **Policy Period**, and whose enrollment is on file with the **Sponsoring Company**;
4. Is shown as such in a Certificate Of Insurance;
5. Has paid the applicable premium;
6. Is licensed by all necessary federal, state or local governmental authorities to render **Professional Services** where both the **Agent** and client are located;

C. For the purpose of this Endorsement, the Declarations is amended as follows:

Limit of Liability:

\$1,000,000 Each Claim Each New Agent

\$1,000,000 Aggregate Each Insured

All other terms and conditions remain unchanged.

**MARKEL AMERICAN INSURANCE COMPANY****SCHEDULE OF RATE AND PREMIUM CALCULATIONS ENDORSEMENT**

Named Insured: The Member Agencies of the American Agents Alliance f/k/a Alliance of Insurance Agents and Brokers

This coverage rate and premium calculation options available during this Policy Period is as follows:

Agencies that are current members of the American Agents Alliance, fka: Alliance of Insurance Agents & Brokers Association and that meet each of the following criteria, may qualify to use this enrollment and election form.

- The agency has five (5) or less licensed staff and annual commissions of \$1,500,000 or less;
- The agency has no pending or prior E&O claims in the past five (5) years; No agency owner(s) or any staff members are aware of any incident or circumstance that may give rise to an E&O claim. Any such potential claims not already reported to your current E&O carrier are excluded from the proposed coverage and should be reported to your current E&O carrier immediately;
- The agency's principals, officers and/or employees have never been the subject of a complaint, reprimand or disciplinary or criminal action by any federal, state or local authorities as a result of their professional services;
- The agency has been in business under the current ownership for at least three (3) years; or the agency principal(s) have at least three (3) years of P&C insurance and management experience;
- New agents licensed for less than three (3) years are eligible; however the maximum liability limits available are \$1M/\$1M, subject to the New Agent Rate shown in the table below. EXCEPTION: If the agent is enrolled in the Alliance Gateway program, the standard agent rates apply;
- The agency has not acquired both the assets and liabilities of another agency in the past three (3) years;
- The agency commissions derived from the sale of Personal Lines, Property & Casualty insurance products, must represent at least 60% of total agency commissions;
- Those agencies with more than 40% commercial revenue will be additionally screened and must have no more than 10% of high hazard classes (i.e. Trucking/Professional Liability/Medical Malpractice/Marine/Pollution/Aviation/Surety Bonds or 25% Non-Admitted) and will be automatically referred to carrier;
- The agency derives no more than 10% of total revenues from business placed with un-rated carriers, or admitted carriers rated less than B+ by A.M. Best, or non-admitted carriers rated less than A- by A.M. Best;
- The agency does not operate as an MGA, wholesaler, surplus lines broker, real estate agent/broker or claims TPA;
- The agency does not own, operate, manage, administer or place business in Alternative Risk Transfer arrangements; Captives, Risk Retention Groups, Risk Purchasing Groups, Professional Employer Organizations (PEOs) or partially or wholly self-insured groups or trusts;

All agencies that do not meet the above criteria must complete a full application for individual underwriting and rating.

A 5% credit will be applied to the total agency E&O premium for agencies with 50% or more staff maintaining CIC designations. Proof of continuing CIC education must be provided within 14 days of binding E&O coverage under the Program.

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Proposed Rates – All States:

\$1,000,000 Each Claim/ \$1,000,000 Aggregate		\$2,500 Deductible (Damages Only)	\$5,000 Deductible (Damages Only)	\$10,000 Deductible (Damages Only)
*New Agent Coverage				
Personal Lines P&C Only	Rate Per Licensed Producer	\$840	\$820	\$792
P&C Only	Rate Per Licensed Producer	\$1,295	\$1,255	\$1,215
P&C and Life	Rate Per Licensed Producer	\$1,685	\$1,630	\$1,520

*New Agent is defined as an agent licensed for a period of less than three (3) years, less than \$150K annual commissions that is not currently participating in the Alliance Gateway program.

Limit of Liability (Defense Outside)		\$2,500 Deductible (Damages Only)	\$5,000 Deductible (Damages Only)	\$10,000 Deductible (Damages Only)
All Other Agent Coverage				
\$1,000,000 Each Claim/ \$1,000,000 Aggregate	Rate Per Licensed Producer	\$2,520	\$2,448	\$2,030
\$2,000,000 Each Claim/ \$2,000,000 Aggregate	Rate Per Licensed Producer	\$3,385	\$3,300	\$3,140

Multi-Producer Agencies:

<u>Revenue</u>	<u>\$1M/\$1M</u>	<u>\$2M/\$2M</u>
\$50,000	min	min
\$100,000	min	\$2,995
\$150,000	\$3,405	\$4,490
\$200,000	\$4,290	\$5,670
\$250,000	\$5,370	\$7,080
\$300,000	\$6,080	\$8,025
\$350,000	\$7,080	\$9,360
\$400,000	\$7,625	\$10,065
\$450,000	\$8,580	\$11,330
\$500,000	\$8,930	\$11,805
\$550,000	\$9,840	\$12,980
\$600,000	\$10,005	\$13,215
\$650,000	\$10,835	\$14,315
\$700,000	\$11,430	\$15,100
\$750,000	\$11,545	\$15,345
\$800,000	\$11,805	\$15,575
\$850,000	\$12,155	\$16,045
\$900,000	\$12,455	\$16,435
\$950,000	\$12,915	\$16,695
\$1,000,000	\$13,380	\$17,350

- The rate factor for a \$5K deductible option for multi-producer agencies: .97
- The rate factor for a \$10K deductible option for multi-producer agencies: .92

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Optional Limited Employment Practices Liability Coverage Endorsement

Agencies that are current members of the American Agents Alliance, fka: Alliance of Insurance Agents & Brokers Association and that meet each of the eligibility criteria shown above, are eligible to purchase this optional coverage. Any agencies not meeting all of the established criteria are subject to individual underwriting.

Limits of Liability*	Additional Premium
\$250,000 Each Claim/Each Agent \$1,000,000 Aggregate/Each Agent	\$185 per Employee**
\$500,000 Each Claim/Each Agent \$1,000,000 Aggregate/Each Agent	\$265 per Employee**

*Limits provided are part of, and not in addition to, the aggregate Limit of Insurance for all Claims made during the Policy Period shown in the Declarations.

**Employee means any person within the course and scope of his or her duties and responsibilities in the regular service of the insured Agent whom the insured agent compensates by salary, wages and/or commissions and has the right to govern and direct in the performance of such service, including part-time, seasonal, temporary and leased workers, whether in a supervisory, co-worker, subordinate or other position.

Employee shall not mean any person who is contracted to perform work for the insured agent or any person who is an independent contractor for the insured agent.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUPPLEMENTAL PAYMENTS ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is here by understood and agreed that:

I. The following is added to Section I. INSURING AGREEMENTS:

COVERAGE EXTENSION – SUPPLEMENTAL PAYMENTS

The **Insurer** shall pay in addition to the Limits of Liability shown in the Declarations Page the following Supplemental Payments:

1. For catastrophes which have occurred during the **Policy Period** and have been designated as a catastrophe by Insurance Services Office, Inc. the **Insurer** will pay for the actual reasonable extra expenses incurred by the **Insured** for assisting in the insurance **Claim's** processing needs of their clients who have been affected by the catastrophe. Such extra expenses must be incurred directly due to the catastrophe and within ninety (90) days thereafter.

The maximum the **Insurer** will pay under this coverage extension is \$10,000 per catastrophe regardless of the number of **Insureds** or clients involved and \$25,000 per **Policy Period** Aggregate regardless of the number of catastrophes. Any payments made under this subsection shall be subject to a \$5,000 Deductible per catastrophe under the agreement;

2. All reasonable expenses incurred by the **Insured** at the request of the **Insurer** and to assist the **Insurer** in the investigation or defense of any **Claim** including actual loss of earnings because of time off work, up to a maximum of \$250 per day;
3. All reasonable expenses incurred by the **Insured** at the request of the **Insurer** and to assist the **Insurer** in the investigation or defense of any **Claim** involving attendance at a regulatory hearing, including actual loss of earnings because of time off work, up to a maximum of \$250 per day;

II. Subsection IV.F. is amended with the addition of the following:

Claims Expenses shall include Supplemental Payments as listed in this endorsement.

All other terms and conditions remain unchanged.

**MARKEL AMERICAN INSURANCE COMPANY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED EMPLOYMENT PRACTICES LIABILITY COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

Solely with respects to those **Insureds** who have purchased coverage under this Endorsement and whose names and coverage selection are on file with the **Insurer**, it is understood and agreed that:

Solely for purposes of the coverage provided under this Endorsement only, the Policy is amended as follows:

I. Subsection I.A is replaced with the following::

The **Insurer** shall pay on behalf of the **Insured**, subject to the Limits of Liability purchased and on file with the **Insurer** and excess of the Deductible that the **Insured** is legally obligated to pay as **Damages** and **Claims Expenses** because of a **Claim** first made against the **Insured** and reported to the **Insurer** in writing during the **Certificate Period**, or any applicable Extended Reporting Period of this Policy for any actual or alleged **Wrongful Termination Act** provided that such **Wrongful Termination Act** occurred on or after the **Retroactive Date** and before the end of the **Certificate Period**.

II. Section IV. - DEFINITIONS is amended as follows:

A. Subsection IV.Q. is replaced with the following:

Retroactive Date shall mean the inception date of the first and continuously maintained **Wrongful Termination Coverage** purchased by the **Insured** provided by the **Insurer**.

B. The following Definitions are added:

Employee shall mean any natural person whom the **Insured** compensates by salary, wages and/or commissions and has the right to govern and direct in the performance of such service, including part-time, seasonal, temporary and leased workers. However, **Employee** shall not mean any person who is an independent contractor for the **Insured**

Wrongful Termination Act means any actual or alleged negligent act, error or omission, or negligent misstatement or misleading statement in connection with the termination of the employment relationship between the **Insured** and an **Employee**.

III. Section VII. is amended as follows:

A. Subsection A is replaced with the following:

The Limits of Liability — Each **Claim/Each Insured** which is on file with the **Insurer** shall apply in excess of the Deductible shown Subsection III.B below and is the most the **Insurer** will pay for **Damages** and **Claims Expenses** arising out of any one **Claim** against the **Insured**.

B. Section VIII. – DEDUCTIBLE is replaced with the following:

A Deductible of \$2,500 applies to the payment of both **Damages** and **Claims Expenses**. The **Insurer** shall pay only that portion of the **Damages** and **Claims Expenses** which is in excess of the Deductible for each **Claim**, subject to the Limits of Liability under this Policy. If a **Claim** is made against more than one **Insured**, the Deductible shall apply separately to each **Insured**.

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IV. The following exclusions are added to Section V.

Based upon or arising from, or attributable to a breach of any agreement, whether written or oral, to limit grounds for termination of employment to specific causes;

Based upon or arising from, or attributable to a breach of any express contract, whether written or oral, to pay any set wages or benefits, overtime, bonuses, commissions, severance payments or any similar payments, or to provide or continue benefits of any kind.

Based upon, arising out of or attributable to any actual or alleged violation of the responsibilities, obligations, or duties imposed by the Fair Labor Standards Act (except the Equal Pay Act) and any other law concerning wage and hour practices, including, but not limited to any **Claim** for off-the-clock work, failure to provide rest or meal periods, failure to reimburse expenses, improper classification of employees as exempt or non-exempt, failure to timely pay wages, conversions, unjust enrichment, or unfair business practices;

All other terms and conditions remain unchanged.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRYPTO CURRENCY AND NFT EXCLUSION ENDORSEMENT

CLAIM EXPENSES, AS WELL AS DAMAGES, ARE INCLUDED WITHIN AND WILL REDUCE THE LIMITS OF LIABILITY.

This endorsement modifies insurance provided under the following:

Section V – Exclusions, is amended to include the following:

This Policy shall not apply to, and the **Insurer** shall pay neither **Damages** nor **Claim Expenses** for, any **Claim**:

Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving, in whole or in part, individually or in conjunction with other matters, **Crypto Currency** and/or **NFT**; however this Exclusion shall not apply to mutual funds or securities registered with the Securities and Exchange Commission that are publicly traded on a national exchange.

Section IV – Definitions, is amended to include the following:

Crypto Currency means digital, computerized or on-line medium of exchange, including, but not limited to, any kind of virtual or electronic currency, that: (i) is not issued or guaranteed by a government central bank, domestic or foreign government or other public authority; or (ii) not adopted or authorized by a domestic or foreign government as a part of its currency.

NFT means a non-fungible token, which is any digital or virtual asset or unit of data stored on blockchain or other digital or virtual ledger, which represents a tangible or intangible item, such as, without limitation, graphic art, GIF, music, video or collectible, and grants or certifies the holder's ownership rights to such item, in whole or in part.

All other terms and conditions remain unchanged.

MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA AMENDATORY

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED LIFE INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

Section **XIV** – Termination of Coverage is amended as follows.

A. Paragraph **2.** Of **B.** Applicable To Sponsoring Company is replaced by the following:

The **Sponsoring Company** may terminate the Policy by sending written notice to the **Insurer** with the effective date of termination being not less than 30 days thereafter. Proof of mailing the notice of termination shall be sufficient proof of such notice. If the **Sponsoring Company** terminates the Policy, the **Insurer** shall return premium to be computed on a short rate basis proportional to the length of time from the inception date of the **Policy Period** to the termination date.

B. Paragraph **1.** of **C.** Applicable To Insurer is replaced by the following:

This Policy may be terminated by the **Insurer**, for the following reasons by providing written notice to the **Sponsoring Company** at the **Sponsoring Company's** address shown in the Master Policy Declarations with the effective date of termination being not less than 60 days thereafter. Proof of mailing the notice of termination shall be sufficient proof of such notice. If the **Insurer** terminates the Policy, the **Sponsoring Company** shall receive a return of premium to be computed on a short rate basis proportional to the length of time from the inception date of the **Policy Period** to the termination date. Any notice of termination shall state the precise reason for the termination:

1. A judgement by a court or an administrative tribunal that the **Sponsoring Company** 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;
2. Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by the **Sponsoring Company**, which materially increase any of the risks insured against;
3. Failure by the **Sponsoring Company** to implement reasonable loss control requirements, agreed to as a condition of policy issuance, or which were conditions precedent to the use of the **Insurer's** rate or rating plan, if that failure materially increases any of the risks insured against; or
4. A determination by the Commissioner of Insurance that the:
 - a. Loss of, or changes in, the **Insurer's** reinsurance covering all or part of the risk would threaten the **Insurer's** financial integrity or solvency; or
 - b. Continuation of the policy coverage would place the **Insurer** in violation of California law or the laws of the state where the **Insurer** is domiciled or threaten the **Insurer's** solvency.

Cancellation set forth in the above paragraph does not apply to any policy which has been in effect for less than 60 days and is not a renewal of a previously existing policy. In the case of a policy in effect for less than 60 days and not a renewal of a previously existing policy, the policy may be canceled for any reason by providing the **Sponsoring Company** at least 30 days written notice of cancellation except where the reason for cancellation is nonpayment of premium or fraud, in which case not less than 10 days written notice will be provided.

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C. Paragraph 2. of C. Applicable To Insurer is replaced by the following:

This Policy may be terminated by the **Insurer** for the following reasons by providing written notice to the **Sponsoring Company** and the producer, if any, at the addresses shown in the Master Policy Declarations with the effective date of termination being not less than 10 days thereafter. Proof of mailing the notice of termination shall be sufficient proof of such notice. The notice of termination shall state the precise reason for termination:

1. Nonpayment of premium, including payment due on a prior policy issued and due during the current policy term covering the same risks; or
2. Discovery of fraud or material misrepresentation by the **Sponsoring Company** in obtaining the insurance or in pursuing a claim under this policy.

D. The following is added to SECTION XIV – Termination of Coverage:

This policy may be nonrenewed by the **Insurer by** providing written notice to the **Sponsoring Company** and the producer, if any, at the address shown in the Master Policy Declarations, stating the precise reason for nonrenewal, at least 60 days but not more than 120 days thereafter. Proof of mailing the notice of nonrenewal shall be sufficient proof of such notice.

The **Insurer** is not required to send notice of nonrenewal in the following situations:

1. If the transfer or renewal of a policy, without any changes in terms, conditions or rates is between the **Insurer** and a member of the insurance group;
2. If the policy has been extended for 90 days or less, provided that notice has been given according to the nonrenewal procedures above;
3. If the **Sponsoring Company** has obtained replacement coverage, or has agreed in writing within 60 days of the termination of the policy to obtain that coverage;
4. If the policy is for a period of no more than 60 days and the **Sponsoring Company** is notified at the time of issuance that it will not be renewed;
5. If the **Sponsoring Company** requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period; or
6. If the **Insurer** has made a written offer to the **Sponsoring Company**, in accordance with nonrenewal procedures above, to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

All other terms and conditions remain unchanged.



SPECIMEN

MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRADE OR ECONOMIC SANCTIONS

The following is added to this policy:

Trade Or Economic Sanctions

This insurance does not provide any coverage, and we (the Company) shall not make payment of any claim or provide any benefit hereunder, to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose us (the Company) to a violation of any applicable trade or economic sanctions, laws or regulations, including but not limited to, those administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC).

All other terms and conditions remain unchanged.