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Aspen

Company Sponsored Insurance Agents
Professional Liability Insurance Policy

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

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

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

I. INSURING AGREEMENT

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

A. The **Wrongful Act** was first committed on or after the **Retroactive Date** and before the expiration of the **Policy Period**;

B. No **Insured** gave notice to any prior insurer of such **Wrongful Act**;

C. The **Insured** reported such **Claim** in writing to the Company, as soon as practicable, during the **Policy Period**, but in no event later than sixty (60) days after expiration or termination of this Policy, or during the **Extended Reporting Period**, if applicable;

D. Prior to the Inception Date of this Policy, no **Insured** knew or could have reasonably foreseen that such **Wrongful Act** might give rise to a **Claim**; and

E. There is no other policy or policies which provide insurance for such **Wrongful Act**.

II. EXTENSIONS OF COVERAGE

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

A. Disciplinary Proceedings

1. In addition to the Limit of Liability, the Company shall reimburse the **Insured** for reasonable and necessary attorney's fees and costs incurred in responding to a **Disciplinary Proceeding** first commenced against an **Insured**, during the **Policy Period**, but in no event later than sixty (60) days after expiration or termination of this Policy, or during the **Extended Reporting Period**, if applicable.

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2. The maximum payment by the Company pursuant to this Section **II. A. Extensions of Coverage**, shall be $10,000 for each **Agent** solely in connection with **Professional Services** rendered by such **Agent**, regardless of the number of **Disciplinary Proceedings**.

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

   a. No payments made by the Company shall apply to the Deductible; and

   b. The Company shall not pay any amount until the conclusion of the **Disciplinary Proceeding** and only if such **Disciplinary Proceeding** has not resulted in the suspension or revocation of the **Insured's** license.

B. Subpoena Compliance

1. In addition to the Limit of Liability, the Company shall pay reasonable attorney's fees and costs, subject to Section **VI. Defense, Consent, and Settlement**, in connection with the receipt of a subpoena by the **Insured** during the **Policy Period** or during the **Extended Reporting Period**, if applicable, for document production or representation in giving sworn testimony related to **Professional Services**, which is issued in connection with a lawsuit which the **Insured** is not party.

2. The maximum payment by the Company pursuant to this Section **II. B. Extensions of Coverage**, shall be $10,000 for each **Agent** solely in connection with **Professional Services** rendered by such **Agent**, regardless of the number of subpoenas.

3. Pursuant to this Section **II. B. Extensions of Coverage**, no payments made by the Company shall apply to the Deductibles.

C. Privacy Breach

1. The Company shall pay a **Privacy Breach** Sublimit of Liability on behalf of the **Insured** for all sums which the **Insured** shall become legally obligated to pay as **Damages** and **Claims Expenses** resulting from **Claims** first made against an **Insured** during the **Policy Period**, or **Extended Reporting Period**, if applicable, as a result of a **Privacy Breach**, arising solely from the rendering of or failure to render **Professional Services**, provided that such **Professional Services** were rendered or failed to be rendered on or after the **Retroactive Date** and before the expiration of the **Policy Period.**

2. The maximum payment by the Company pursuant to this Section **II. C. Extensions of Coverage**, for each **Agent** solely in connection with **Professional Services** rendered by such **Agent**, shall be $25,000 per **Agent**.

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

   a. A $5,000 Deductible shall apply to each **Claim**; and

   b. The **Privacy Breach** Sublimit of Liability shall be part of and not in addition to the Limits of Liability set forth in Item 3. of the Declarations of this Policy.

III. DEFINITIONS

A. Agent means an individual who:

1. Maintains an Agent or General Agent contract with the **Sponsoring Company**; has elected to enroll for coverage under this Policy; and whose enrollment is on file with the **Sponsoring Company**;

2. Has paid his or her premium; and

3. Is properly licensed by the appropriate authority to solicit, sell and service life, accident or health insurance products.

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B. **Application** means all signed applications, including attachments and other materials submitted therewith or referenced or incorporated therein, submitted by or on behalf of the **Insured** to the Company for this Policy or for any policy of which this Policy is a direct or indirect renewal or replacement. All such applications, attachments and materials are deemed attached to, incorporated into and made a part of this Policy.

C. **Broker-Dealer** shall have the same meaning as the term used by the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, as amended.

D. **Claim** means a demand for money or services received by an **Insured** alleging a **Wrongful Act**. **Claim** does not include a demand for non-monetary or injunctive relief or any criminal proceeding.

E. **Claims Expenses** means reasonable and necessary fees, costs and expenses incurred by the Company, or by the **Insured** with the prior written consent of the Company, consisting of fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, including the cost of appeal bonds, however, the Company shall not be obligated to apply for or furnish appeal bonds. **Claims Expenses** do not include salary charges, wages or expenses of partners, principals, officers, directors, members or employees of the **Insured** or the Company.

F. **Controlling Interest** means the right of an **Insured** or a member of an **Insured's Immediate Family**, directly or indirectly, to:

1. own 10% or more of an interest in an entity;

2. vote 10% or more of the issued and outstanding voting stock in an incorporated entity;

3. elect 10% or more of the directors of an incorporated entity;

4. receive 10% or more of the profits of an unincorporated entity; or

5. act as general partner of a limited partnership, managing general partner of a general partnership, or comparable position in any other business enterprise.

G. **Damages** means a compensatory monetary amount for which an **Insured** may be held legally liable, including judgments, awards, or settlements negotiated with the prior approval of the Company, provided that **Damages** shall not include:

1. Any disgorgement, return, withdrawal, restitution or reduction of any sums or fees, including any sums or fees which are or were in the possession or control of any **Insured**;

2. Any amounts credited to any **Insured's** account;

3. Fines, sanctions, taxes, penalties or awards deemed uninsurable pursuant to any applicable law;

4. Punitive, exemplary, treble damages or any other damages resulting from the multiplication of compensatory damages;

5. Equitable relief, or fees, costs or expenses incurred by an **Insured** to comply with any such equitable relief;

6. Any amounts constituting a waiver of fees, charges, costs or any other monetary amounts the **Sponsoring Company** is contractually entitled to impose upon a client or customer;

7. The collection, payment or return of, or the failure to collect, pay or return, any commission, fee, tax, funds, premium or claim monies;

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8. Any disputes involving an **Insured's** client lists, or non-compete or similar agreements; or

9. Any disputes involving an **Insured's** commissions, fees, charges, entitlements or other compensation.

H. **Disciplinary Proceeding** means any proceeding commenced by a regulatory or disciplinary official, board or agency with the authority to regulate **Professional Services**, and whose obligation is to investigate charges of professional misconduct arising solely from the rendering of or failure to render **Professional Services**.

I. **Extended Reporting Period** means the applicable period of time after the expiration or termination of the **Policy Period** for reporting **Claims** arising out of **Wrongful Acts** committed prior to the expiration of the **Policy Period** and on or subsequent to the **Retroactive Date**, and otherwise covered by this Policy.

J. **Immediate Family** means:

1. the **Insured**; or

2. the **Insured's**:

   a. spouse;

   b. parent(s), adoptive parent(s) or step-parent(s);

   c. sibling(s) or step-sibling(s); or

   d. child(ren), adoptive child(ren) or step-child(ren).

K. **Insured** means:

1. An **Agent**;

2. An entity owned and controlled by an **Agent**, but solely in connection with **Professional Services** provided by the **Agent**;

3. An employee of an **Agent** acting in his or her capacity as such on behalf of such **Agent**, but solely if the employee is not otherwise contracted as an agent with the **Sponsoring Company** or another insurer and solely in connection with **Professional Services** provided by such **Agent**;

4. The legal heir, executor, administrator or legal representative of an **Agent** in the event of such **Agent's** death, incapacity or bankruptcy;

5. The lawful spouse or domestic partner of any individual which qualifies as an **Insured** under Sub-sections **1.**, **3.**, or **4.**, above, for a **Claim** arising solely out of spousal or domestic partner status, and not out of any alleged independent **Wrongful Acts**, of such individual; or

6. The **Sponsoring Company**, if the only allegation against it is for vicarious liability based upon the **Wrongful Acts** of an **Agent.** The **Sponsoring Company** shall not be an **Insured** if there is any allegation of a wrongful act committed by the **Sponsoring Company**, regardless of whether the **Sponsoring Company** is also alleged to be vicariously liable for the **Wrongful Acts** of an **Agent**.

L. **Interrelated Wrongful Acts** means **Wrongful Acts** that are temporally, logically or causally connected by any common nexus of any fact, circumstance, situation, or event, or which are the same, related or continuous acts, regardless of whether the **Claim** or **Claims** alleging such acts

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involve the same or different claimants, **Insureds** or legal causes of action including, but not limited to, any insurance products of any entity which becomes the subject of any bankruptcy, insolvency, liquidation or reorganization proceeding.

M. **Personal Information** means an individual's identity with any one or more of the following: social security number; medical or healthcare data, or other protected health information; drivers license number or state identification number; credit card number or debit card number in combination with any required security code, access code or password that would permit access to that individual's financial account, or other nonpublic **Personal Information** as defined in a **Privacy Regulation**.

N. **Personal Injury** means false arrest, detention or imprisonment, or malicious prosecution; libel, slander, oral or written publication of defamatory or disparaging material; wrongful entry or eviction; or invasion of the right of private occupancy.

O. **Policy Period** means the period of time set forth in Item 2 of the Declarations or any shorter period that may occur as a result of a termination in accordance with Section **VI. G. GENERAL CONDITIONS**.

P. **Privacy Breach** means a violation of a **Privacy Regulation** or right of privacy, arising solely from the rendering of or failure to render **Professional Services**.

Q. **Privacy Regulation** means any statute or regulation associated with the control, use, disclosure and/or dissemination of personally identifiable financial, medical or other sensitive information, including identity theft and privacy protection legislation that requires commercial entities that collect **Personal Information** to post privacy policies, adopt specific privacy controls, or notify individuals in the event that **Personal Information** has potentially been compromised.

R. **Professional Services** means the solicitation, sale or servicing of life, health, disability, long-term care insurance, or fixed annuities.

S. **Retroactive Date** means the inception date of the **Agent's** first claims-made life insurance agents professional liability policy from which coverage has been maintained in force without interruption.

T. **Securities** shall have the same meaning as the term used by the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, or the Investment Advisors Act of 1940, as amended.

U. **Sponsoring Company** means the entity set forth in Item 1 of the Declarations.

V. **Wrongful Act** means any negligent act, error or omission committed by an **Insured**, including any **Personal Injury** or **Wrongful Supervision**, arising solely from the performance of **Professional Services** for others, or **Wrongful Termination**.

W. **Wrongful Supervision** means a negligent act, error or omission by an **Insured** manager of an agency arising out of the supervision and/or training of an **Agent**, arising solely from the performance of **Professional Services** by the **Agent**.

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

IV. EXCLUSIONS

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

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A. Any intentional wrongdoing, fraud, dishonesty, or malicious **Wrongful Acts** by an **Insured**, if a judgment or other final adjudication adverse to the **Insured** establishes such conduct, or if the **Insured** admits to such conduct. The Company shall continue to defend the **Insured**, if these allegations arise out of **Wrongful Acts** otherwise covered under this Policy, but the **Insured** shall reimburse the Company for **Claims Expenses** if such conduct is established as a matter of fact in a civil, arbitration, criminal or other proceeding, or is admitted to by an **Insured**.

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

1. **Insured**; provided that this Exclusion shall not apply to any alleged **Wrongful Termination**;

2. Company or **Broker-Dealer**;

3. Insurance agent or broker;

4. Entity that is not a client of an **Insured**; provided that this Exclusion shall not apply to any **Claim** brought by an entity who is a beneficiary, heir, executor, conservator, or administrator of a deceased client of an **Insured**, and it shall further not apply to any alleged **Wrongful Termination**;

5. Entity:

a. Wherein the **Insured** has a **Controlling Interest**;
b. In which the **Insured** is:
i. An officer;
ii. A director; or
iii. A partner; or

c. Which wholly or partly owns, operates, or manages the **Insured**;

6. Governmental or quasi-governmental entity, or Self-Regulatory Organization including, but not limited to, any state or federal insurance or securities commission or agency, or the Financial Industry Regulatory Authority or the Securities and Exchange Commission; provided that this Exclusion shall not apply to a **Claim** brought by or on behalf of such entity in its capacity as a client of an **Insured** and does not limit the availability of coverage pursuant to Section **II. A. EXTENSIONS OF COVERAGE**.

C. Any fact, circumstance, situation, transaction, event or **Wrongful Act** that, before the Inception Date set forth in Item 2.(A) of the Declarations, was the subject of any notice given under any insurance policy issued by any insurer or any policy of which this Policy is a direct or indirect renewal or replacement.

D. Any **Claim**, demand, suit, litigation or other proceeding pending against, or order, decree or judgment entered for or against any **Insured** which was pending on or existed prior to the Inception Date set forth in Item 2.(A) of the Declarations, or the same or substantially the same facts, circumstances, situation or allegations underlying or alleged therein.

E. Any actual or alleged services as an accountant, tax preparer or advisor, actuary, architect, engineer, lawyer, real estate agent or broker, property or casualty insurance agent, title insurance agent, or third-party claims administrator.

F. Any actual or alleged placement of a client's coverage or funds directly or indirectly with any entity which is not licensed to conduct business in the state or jurisdiction with authority to regulate such business; provided that this Exclusion shall not apply to the placement of a client's coverage or funds directly or indirectly with an eligible surplus lines insurer in the state or jurisdiction with authority to regulate such business.

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G. Any actual or alleged ownership, formation, sale, servicing, operation, or administration of claims for any insurance company, health maintenance organization, preferred provider organization, captive, risk retention group, self-insurance group/program, purchasing group, Professional Employer Organization (PEO), or any pool, syndicate, association or other similar group combination formed for the purpose of providing insurance or benefits.

H. Any actual or alleged sale, servicing, or administration of, or advice or planning with respect to, any Multiple Employer Welfare Arrangement.

I. Any pension, profit sharing, health, welfare or other employee benefit plan, insurance plan or trust, organized for the benefit of employees of any **Insured**.

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

K. Any actual or alleged liability of others assumed by an **Insured** under any written or oral contract or agreement, provided that this Exclusion shall not apply to the extent that the **Insured** would have been liable in the absence of such contract or agreement.

L. The **Insured** making representations, promises or guarantees as to the future value of any investment including but not limited to, representations, promises or guarantees as to interest rates, fluctuation in interest rates, future premium payments or market value(s).

M. Any actual or alleged gaining of personal profit or advantage to which an **Insured** is not legally entitled.

N. Any disputes involving an **Insured's** commissions, fees, charges, entitlements or other compensation.

O. Any actual or alleged commingling, conversion, misappropriation, or defalcation of any funds by any **Insured**.

P. Any actual or alleged willful violation of the rules or regulations of the Financial Industry Regulatory Authority, Securities and Exchange Commission, Securities Act of 1933, Securities Exchange Act of 1934, Investment Company Act of 1940, or the Investment Advisors Act of 1940, and any amendments thereto, or of any state securities statute or state regulatory agency.

Q. Any **Securities**.

R. Any insurance or financial product owned in whole or in part by an **Insured**.

S. Any structured settlements; provided that this Exclusion shall not apply to an underlying covered product.

T. Any promissory notes, commodities, futures contracts, or option contracts.

U. Any viatical or life settlements, reverse mortgages, or any similar product in which the present value of a condition contract is exchanged or sold.

V. Any "Stranger Originated Life Insurance (STOLI)" or "Speculator Initiated Life Insurance (SPINLIFE)" or any other type of policies where the purchaser of the life product does not have an insurable interest in the **Insured** under such life product.

W. Any accident and/or health insurance products sold into or part of an IRS Section 412(i) and/or 419 plan or the tax status or lack of eligibility relative to any IRS or other governmental ruling concerning IRS Section 412(i) or 419 plans.

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X. Any bodily injury, including sickness, injury, disease or death of any person; or injury to or destruction of any tangible property, including loss of use thereof.

Y. Any actual or alleged discrimination, harassment, or misconduct:

1. By an **Insured** because of race, creed, color, age, gender, sex, sexual preference or orientation, national origin, religion, disability, handicap, marital status, or any other class protected under federal, state, local or other law; or

2. By an employee, former employee, or job applicant of an **Insured** in their capacity as such

Z. Any actual or alleged infringement of copyright; plagiarism, piracy or misappropriation of ideas; or infringement of title, slogan, trademark, trade name, trade dress, service mark or service name; or any patent or trade secret; or any unfair competition, deceptive advertising, anticompetitive acts, restraint of trade, price fixing, or antitrust.

AA. Any allegation of a pattern or practice of wrongful act or conduct by the **Sponsoring Company** including, but not limited to, any class action allegation.

BB. Any actual or alleged violation of :

1. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law,

2. The CAN-SPAM Act of 2003, including any amendment of or addition to such law, or

3. Any statute, ordinance or regulation other than the TCPA or CAN-SPAM Act of 2003 that prohibits or limits the sending, transmitting, communicating, or distribution of material or information.

CC. Any notary services performed in the absence of the physical presence of the person whose signature is notarized.

DD. Any actual or alleged design of any employee benefit plan.

V. REPORTING AND NOTICE

A. Reporting of Actual Claims

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

B. Reporting of Potential Claims

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

C. Reporting Requirements of Actual and Potential Claims

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

1. The specific facts and circumstances which constitute the **Wrongful Act**, including the date(s) thereof, and the **Insured** and clients involved;

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2. The date and circumstances by which the **Insured** became aware of such **Wrongful Act**; and

3. The **Damages** that may reasonably result therefrom.

D. Notice

1. Notice shall be forwarded to:

Aspen Specialty Insurance Management Co.
Newport Office Center III
499 Washington Boulevard, 8th Floor
Jersey City, NJ 07310
Attention: Financial Services Professional Liability Claims Department
E-mail: Professionalliability.claims@aspenspecialty.com

2. All correspondence should make reference to the Policy number set forth in the Declarations of this Policy. (All other notices under this Policy shall be given to the same addressee but to the attention of the Professional Liability Department.)

3. If notices are mailed, the date of mailing of such notice shall constitute the date such notice was given and proof of mailing shall be sufficient proof of notice.

VI. DEFENSE, CONSENT, AND SETTLEMENT

A. The Company has the sole right to appoint defense counsel and the right and duty to defend any **Claim** covered by this Policy, made against an **Insured**, as set forth in Section **III. K. 1.**, **2.**, **3.**, **4.** and **5**. **DEFINITIONS**, provided that with respect to the **Sponsoring Company**, the Company shall have no duty to appoint defense counsel, no duty to defend and no obligation to pay **Claims Expenses**, unless the sole allegation made against the **Sponsoring Company** is based upon its alleged vicarious liability for the **Wrongful Acts** of an **Agent**.

B. The Company may make any investigation it deems necessary and may, with the consent of the **Insured**, make any settlement of any **Claim** it deems expedient.

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

D. The **Insured** must take all reasonable actions within its ability to prevent or mitigate any **Claim** which would be covered under this Policy.

E. If the **Insured** refuses to consent to a settlement acceptable to the claimant that the Company recommends, then, subject to the Limit of Liability set forth in the Declarations, the Company's liability for such **Claim** shall not exceed the amount for which such **Claim** could have been settled, plus **Claims Expenses** incurred up to the date the **Insured** refused to consent to the settlement, and the Company shall have the right to withdraw from the further defense of such **Claim** by tendering control of the defense thereof to the **Insured**.

F. The **Insured** shall provide the Company with such cooperation, assistance and information as the Company may request, all without charge to the Company.

VII. TERRITORY

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

VIII. GENERAL CONDITIONS

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

1. Limits of Liability

a. The Company's maximum liability for all **Damages** and **Claims Expenses** resulting from each **Claim** arising from a **Wrongful Act** or **Interrelated Wrongful Acts** shall be the Limits of Liability for Each **Claim** set forth in Item 3.(A) of the Declarations.

b. The Company's maximum aggregate Limits of Liability for all **Damages** and **Claims Expenses** resulting from all **Claims** made against any one **Agent** covered by this Policy shall be the **Agent** Aggregate set forth in Item 3.(B) of the Declarations.

c. The Company's maximum aggregate Limits of Liability for all **Damages** and **Claims Expenses** resulting from all **Claims** covered by this Policy shall be the Maximum Policy Aggregate set forth in Item 3.(C) of the Declarations.

d. The Limits of Liability of the Company for any **Extended Reporting Period** shall be part of, and not in addition to, the Limits of Liability of the Company for the **Policy Period**.

e. The Company shall have no obligation to pay **Damages**, including **Claims Expenses**, or to defend or continue to defend any **Claim** after the Company's applicable Limit of Liability with respect to such **Claim** has been exhausted. If the Company's Limit of Liability set forth in Item 3. of the Declarations is exhausted prior to the expiration of this Policy, the Policy premium will be deemed fully earned.

2. Deductible

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

3. Claims First Made

All **Claims** arising out of the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed one **Claim**, and such **Claim** shall be deemed to be first made on the earliest date that:

a. Any of the **Claims** were first made, regardless of whether this Policy was in effect at the time; or

b. Notice was given by the **Insured** under this Policy or any prior policy of any **Wrongful Act** or **Interrelated Wrongful Act** which underlies such **Claim**.

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B. Extended Reporting Periods

1. Group Extended Reporting Period

a. Automatic **Extended Reporting Period**.

(i) An Automatic **Extended Reporting Period** is provided without additional charge. This period starts at the date of the Policy termination or the expiration of the **Policy Period**, whichever is earlier, and lasts for sixty (60) days.

(ii) The Automatic **Extended Reporting Period** applies to **Claims** arising out of a **Wrongful Act** or **Wrongful Termination** that was committed during the **Policy Period** or after the **Retroactive Date**, if any, as set forth in the Declarations, and which are first made against the **Agent** during the **Policy Period** or within sixty (60) days after Policy termination or expiration of the **Policy Period**, whichever is earlier, and reported to the Company, in writing, within sixty (60) days after Policy termination or the expiration of the **Policy Period**, whichever is earlier.

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

b. Optional Extended Reporting Period.

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

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

2. Individual Agent Extended Reporting Period

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

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

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

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after the **Retroactive Date** and prior to the expiration of the **Policy Period**.

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

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

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

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

c. Optional **Extended Reporting Period**.

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

3. Extended Reporting Periods – Other Terms and Conditions

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

b. At the commencement of any Optional **Extended Reporting Period**, the entire premium thereafter shall be deemed earned.

c. The fact that this Policy may be extended by virtue of an **Extended Reporting Period** shall not in any way increase the Limits of Liability set forth in Item 3 of the Declarations.

C. Subrogation

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

Any amount so recovered shall be apportioned as follows: Any recovery shall first be used for the repayment of expenses incurred toward subrogation; second, to any **Claims Expenses**

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and/or **Damages** paid by the **Insured** in excess of any deductible; third, to any claims expenses and/or damages payments by an excess carrier on behalf of the **Insured**; fourth, to any claims expenses and/or damages payments by any primary carrier on behalf of the **Insured**; and last, to repayment of the **Insured's** deductible.

D. Changes in Exposure

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

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

E. Allocation

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

F. Reimbursement of the Company

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

G. Termination

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

1. Upon expiration of the **Policy Period** set forth in Item 2 of the Declarations, or the effective date of cancellation, if earlier;

2. Ten (10) days after receipt by the **Sponsoring Company** of a written notice of cancellation from the Company for failure to pay a premium due; or

3. As to an **Agent**, upon termination of an **Agent** contract.

H. Cancellation

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

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

I. Sponsoring Company - Sole Agent

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

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

J. Alteration and Assignment

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

K. Action Against the Company

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

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

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

L. Dispute Resolution Process

In the event a dispute arises out of this Policy, the Company and the **Insured** shall participate in a non-binding mediation. The parties shall share costs, but bear their own legal fees and expenses. Either the Company or the **Insured** may commence a judicial proceeding or binding arbitration proceeding after ninety (90) days has passed from the termination of the mediation, provided that in the event that both the Company and the **Insured** commence either a judicial proceeding or binding arbitration, the party commencing first shall be entitled to have its proceeding take precedence over the party not filing first, and such party not filing first shall withdraw its judicial or binding arbitration proceeding until such time the proceeding filed by the party filing first has received a final determination. In the event of a binding arbitration, such proceeding shall be pursuant to such rules and procedures as the parties may agree. If the parties

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cannot agree, the arbitration shall be administered by the American Arbitration Association in accordance with its then prevailing Commercial Arbitration Rules. The arbitration panel shall consist of one arbitrator selected by the **Insured**, one selected by the Company, and the third independent arbitrator selected by the two party-appointed arbitrators. In any such arbitration, each party will bear its own legal fees and expenses. The arbitration or any court proceeding shall take place in New York, New York and New York law shall apply, without application of any applicable conflict of law analysis.

M. Changes

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

N. Entire Agreement

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

O. Titles

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

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

Secretary

President

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AGENT DEFINITION AMENDMENT ENDORSEMENT

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

In consideration of the premium charged, it is agreed that

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

   A. Agent means an individual who:

   1. Was affiliated with the **Sponsoring Company** at the inception date of this Policy, regardless of whether such affiliation ceased during the **Policy Period**; has elected to enroll for coverage under this Policy; is properly licensed by the appropriate authority to solicit, sell and service life, accident and health insurance products; and whose enrollment is on file with the **Sponsoring Company**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ANTI-STACKING ENDORSEMENT

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

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

1. If any **Wrongful Act** or **Interrelated Wrongful Act** covered by this Policy is also covered to any extent by any other policy issued by the Company, or its parents, subsidiaries or affiliates, then the total liability of the Company or its parents, subsidiaries or affiliates under either or both policies for the **Wrongful Act** or **Interrelated Wrongful Act** shall not exceed the largest Limit of Liability for Each **Claim** available under either Policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIMS EXPENSES ADDITIONAL LIMIT OF LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under the following:

Company Sponsored Insurance Agents Professional Liability Insurance Policy

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

1. The Notice provision of the Declarations for this Policy is deleted in its entirety and replaced by:

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

2. The Notice provision on page 1 of the Policy is deleted in its entirety and replaced by:

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

3. Item 10 is added to the Declarations for this Policy as follows:

ITEM 10. **CLAIMS EXPENSES ADDITIONAL LIMIT OF LIABILITY**:

(A) Each **Claim**:	$350,000
(B) **Agent** Aggregate:	$350,000

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4. Subparagraph A.1. SECTION **VIII. GENERAL CONDITIONS** is deleted in its entirety and replaced by:

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

1. Limits of Liability

a. The Company's maximum liability for all **Damages** and **Claims Expenses** resulting from each **Claim** arising from a **Wrongful Act** or **Interrelated Wrongful Acts** shall be the Limits of Liability for Each **Claim** set forth in Item 3.(A) of the Declarations.

b. The Company's maximum aggregate Limits of Liability for all **Damages** and **Claims Expenses** resulting from all **Claims** made against any one **Agent** covered by this Policy shall be the **Agent** Aggregate set forth in Item 3.(B) of the Declarations.

c. The Company's maximum aggregate Limits of Liability for all **Damages** and **Claims Expenses** resulting from all **Claims** covered by this Policy shall be the Maximum Policy Aggregate set forth in Item 3.(C) of the Declarations.

d. The Limits of Liability of the Company for any **Extended Reporting Period** shall be part of, and not in addition to, the Limits of Liability of the Company for the **Policy Period**.

e. The Company shall have no obligation to pay **Damages**, including **Defense Costs**, or to defend or continue to defend any **Claim** after the Company's applicable Limit of Liability with respect to such **Claim** has been exhausted. If the Company's Limit of Liability set forth in ITEM 3. of the Declarations is exhausted prior to the expiration of this Policy, the Policy premium will be deemed fully earned.

f. **Claim Expenses** payable under **SECTION II COVERAGE EXTENSIONS** are part of, and not addition to the Limit of Liability applicable to each coverage extension in **SECTION II COVERAGE EXTENSIONS**. Payment of **Claim Expenses** will reduce and may exhaust the Limit of Liability applicable to each coverage extension.

g. **Claim Expenses Additional Limit of Liability**

The Limit of Liability applicable to **Claims Expenses** for each **Claim** and in the aggregate for all **Claims** under **Section I INSURING AGREEMENT** shall not exceed, subject to the Deductible for this Policy, the limit set forth in Item 4 of the Declarations for this Policy, the limit set forth in Item 10 of the Declarations for this Policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXTENSIONS OF COVERAGE ENDORSEMENT

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

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

1. **SECTION II. EXTENSIONS OF COVERAGE** is hereby amended to include the following:

Mediation/Deductible Credit Coverage Extension

If a **Claim** is fully and finally resolved to the satisfaction of all parties including the Company as a result of Mediation, the **Insured's** deductible obligation for such **Claim** shall be reduced by 50%.

Reimbursement of Expenses Coverage Extension

If the **Insured** is requested by the Company to attend hearings, depositions or trials with regard to the defense of a **Claim**, the Company shall reimburse the **Insured's** actual loss of earnings and reasonable expenses due to such attendance up to $500 per day. The maximum payment made by the Company pursuant to this Reimbursement of Expenses Coverage Extension shall be $10,000 each **Claim**, each certificate-holder **Insured**.

Pre-Claims Assistance Coverage Extension

If the **Insured** reports a **Wrongful Act** during the **Policy Period**, which the **Insured** believes may reasonably give rise to a **Claim** under the Policy, the Company in its sole discretion, and at its own expense, may investigate such **Wrongful Act**. When the Company has incurred $10,000 of expenses for such an investigation, a **Claim** will be deemed to have been made under the Policy. Any payment made by the Company under this Pre-Claims Assistance Coverage Extension shall not apply to the Deductible and shall not reduce the Limits of Liability.

Crisis Management – Public Relations Extension

If there is any publication in a daily newspaper of general circulation or a radio, internet or television news report, during the **Policy Period,** of unfavorable information regarding any **Insured** that is reasonably likely to lessen public confidence in the competence, integrity or viability of any **Insured** to provide **Professional Services,** the first said publication shall be deemed to be a "**Crisis**."

In the event of a **Crisis,** the Company will reimburse the **Insured** the reasonable costs incurred during the time period commencing ninety (90) days prior to, and in anticipation of the **Crisis**, and continuing for ninety (90) days after such **Crisis**, regardless of whether a **Claim** is ever made against an **Insured** arising from such **Crisis**.

In connection with such **Crisis**, the Company shall reimburse reasonable and necessary fees and expenses incurred by a public relations firm hired by the Company to minimize potential harm to

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public confidence in the competence, integrity or viability of an **Insured** to provide **Professional Services** arising from such **Crisis**, and also reimburse reasonable and necessary printing, advertising, mailing or travel expenses incurred by the **Insured** or the public relations firm in connection with such **Crisis.**

The maximum payment made by the Company pursuant to this Crisis Management – Public Relations Extension shall be $10,000 for each **Policy Period**, each certificate-holder **Insured**, regardless of the number of **Crises**. Any payment made by the Company under this Crisis Management – Public Relations Extension shall not apply to the Deductible and shall not reduce the Limits of Liability.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INDIVIDUAL AGENT EXTENDED REPORTING PERIOD ENDORSEMENT

This endorsement modifies insurance provided under the following:

Company Sponsored Insurance Agents Professional Liability Insurance Policy

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

1. SECTION VIII. B. 2. a. GENERAL CONDITIONS is hereby deleted in its entirety and replaced by:

B. Extended Reporting Periods

2. Individual Agent Extended Reporting Period

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

If, during the **Policy Period**, the **Sponsoring Company** terminates an **Agent's** contract, then:

(i) coverage afforded under this Policy shall continue for such **Agent** until the end of the **Policy Period**; and

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

Provided that such coverage afforded under this **SECTION VIII. B. 2. a.** shall not apply if the **Sponsoring Company** terminates such **Agent's** contract for disciplinary reasons.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEBRASKA AMENDATORY ENDORSEMENT

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

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

1. **SECTION VIII. GENERAL CONDITIONS** paragraph **H. Cancellation** is deleted in its entirety and replaced by the following:

A. The **Sponsored Company** set forth in Item 1 of the Declarations may cancel this Policy by mailing or delivering to the Company advance written notice of cancellation.

B. **Cancellation Of Policies In Effect**

1. **60 Days Or Less**
If this Policy has been in effect for 60 days or less, the Company may cancel this Policy for any reason.

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

a. Non-payment of premium;
b. The Policy was obtained through material misrepresentation;
c. Any **Insured** has submitted a fraudulent claim;
d. Any **Insured** has violated the terms and conditions of this Policy;
e. The risk originally accepted has substantially increased;
f. Certification to the Director of Insurance of the Company's loss of reinsurance which provided coverage to the Company for all or a substantial part of the underlying risk insured; or
g. The determination by the Director of Insurance that the continuation of the Policy could place the Company in violation of the Nebraska Insurance Laws.

3. If the Company cancels this Policy subject to **B.1.** or **B.2.** above, the Company will mail to the **Sponsored Company** set forth in Item 1 of the Declarations, a written notice of cancellation, stating the reasons for cancellation, at least:

a. 10 days before the effective date of cancellation if the Company cancels for non-payment of premium; or
b. 60 days before the effective date of cancellation if the Company cancels for any other reason.

C. The Company will mail notice by first class mail to the **Sponsored Company's** last known mailing address. A United States Postal Service Certificate of Mailing shall be sufficient proof of receipt of notice on the third calendar day after the date of the certificate of mailing.

D. Notice of cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.

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E. If this Policy is cancelled, the Company will send the **Sponsored Company** any premium refund due. If the Company cancels, the refund will be pro rata. If the **Sponsored Company** cancels, the refund may be less than pro rata. The cancellation will be effective even if the Company has not made or offered a refund.

F. If the Company decides not to renew this Policy, the Company will mail written notice of non-renewal, stating the reasons for non-renewal, to the **Sponsored Company**, at least 60 days prior to the expiration date of this Policy.

G. Any notice of non-renewal will be mailed by first class mail to the **Sponsored Company's** last known mailing address. A United States Postal Service Certificate of Mailing shall be sufficient proof of receipt of notice on the third calendar day after the date of the certificate of mailing.

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

BANKRUPTCY

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

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONNECTICUT AMENDATORY ENDORSEMENT

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

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

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

Y. Termination of Coverage mean:

1. Cancellation or non-renewal of the Policy; or

2. Decrease in limits, reductive of coverage, increased deductible, new exclusion or any other change in coverage less favourable to the **Insured**.

2. Item **d.** of Section **VIII. GENERAL CONDITIONS**, Paragraph **A. Limits of Liability, Deductible, and Claims First Made**, Sub-paragraph **1. Limits of Liability** is deleted and replaced by the following:

d. The Limits of Liability for any **Extended Reporting Period** shall be equal to the Limits of Liability set forth in Item 3 of the Declarations.

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

B. Extended Reporting Periods

1. Group Extended Reporting Period

a. Automatic **Extended Reporting Period**.

(i) An Automatic **Extended Reporting Period** is provided without additional charge. This period starts at the date of the **Termination of Coverage** and lasts for sixty (60) days.

(ii) The Automatic **Extended Reporting Period** applies to **Claims** arising out of a **Wrongful Act** or **Wrongful Termination** that was committed during the **Policy Period** or after the **Retroactive Date**, if any, as set forth in the Declarations, and which are first made against the **Agent** during the **Policy Period** or within sixty (60) days after a **Termination of Coverage** or expiration of the **Policy Period**, whichever is earlier, and reported to the Company, in writing, within sixty (60) days after a **Termination of Coverage**.

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

b. Optional Extended Reporting Period.

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

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

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

2. Individual Agent Extended Reporting Period

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

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

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

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

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

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

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

c. Optional **Extended Reporting Period**.

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

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

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

   b. At the commencement of any Optional **Extended Reporting Period**, the entire premium thereafter shall be deemed earned.

   c. If this Policy is extended by virtue of an **Extended Reporting Period**, the Limit of Liability shall be equal to the Limits of Liability set forth in Item 3 of the Declarations.

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

H. Cancellation

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

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

1. Non-payment of premium;

2. Conviction of a crime arising out of acts increasing the hazard insured against;

3. Discovery of fraud or material misrepresentation in obtaining the Policy or in pursuing any **Claim** thereunder;

4. Discovery of any willful or reckless act or omission by an **Insured** increasing the hazard insured against;

5. A determination by the Commissioner that continuation of the Policy would violate or place the Company in violation of the law;

6. Physical changes in the property which increase the hazard insured against;

7. A material increase in the hazard insured against; or

8. A substantial loss of reinsurance by the Company affecting this particular line of insurance.

The notice shall state the reason for cancellation.

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

P. Non-renewal

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

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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CONNECTICUT POLICYHOLDER NOTICE

AUTOMATIC AND OPTIONAL EXTENDED REPORTING PERIODS

Upon **Termination of Coverage**, as defined in the Policy, the **Sponsoring Company** shall have the right to:

1. An Automatic **Extended Reporting Period** for sixty (60) days at no additional charge. This Automatic **Extended Reporting Period** shall not be available if the **Insured** has any other applicable insurance, including any policy issued subsequent to this Policy. This Automatic **Extended Reporting Period** shall be included within any purchased Optional **Extended Reporting Period**.

2. Purchase an Optional **Extended Reporting Period** for a period of three (3) years. The right to purchase the Optional **Extended Reporting Period** must be exercised by notice in writing not later than sixty (60) days following the date of the **Termination of Coverage**, and must include payment of premium for the applicable Optional **Extended Reporting Period**, as well as payment of all premiums due the Company. If such notice is not so given to the Company, the **Sponsoring Company** shall not be entitled to exercise such right at a later date.

At the commencement of any Optional **Extended Reporting Period**, the entire premium thereafter shall be deemed earned.

If this Policy is extended by virtue of an **Extended Reporting Period**, the Limit of Liability shall be equal to the Limits of Liability set forth in Item 3 of the Declarations.
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CLAIMS AMENDMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

Company Sponsored Insurance Agents Professional Liability Insurance Policy

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

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

D. Notice shall be forwarded to Lancer Claims Services, 681 South Parker, Suite 300, Orange, CA, 92868, Attention: Financial Services Professional Liability Department. All other notices under this Policy shall be given to Aspen American Insurance Management Co., Attention: Professional Liability Department, One World Trade Center, 285 Fulton Street, NY, NY 10007-3510.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROFESSIONAL SERVICES AMENDMENT ENDORSEMENT

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

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

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

   R. Professional Services means:

   The solicitation, consultation, sale or servicing of:

   1. Individual or group accident or health insurance, Medicare Supplement, Medicare Advantage (including Medicare Part D), disability insurance, and senior dental insurance;

   2. Final expense and guaranteed final expense;

   3. Long term care insurance;

   4. Fixed life or fixed annuity insurance;

   5. Indexed annuities;

   6. Providing financial planning services solely in connection with the products sold in Sub-sections **1. – 4.**, above; or

   7. Travel insurance.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIVACY AND NETWORK SECURITY COVERAGE ENDORSEMENT

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

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

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

   C. Incident Response Expense Coverage

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

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

   D. Funds Transfer Coverage

   The Company shall pay on behalf of the **Insured,** amounts incurred due to the transfer or loss of funds, monies or securities in response to fraudulent instructions from a third-party that first takes place during the **Policy Period**, and that is reported to the Company consistent with the terms of this Policy. The maximum payment made by the Company for the transfer or loss of funds, monies or securities shall be $50,000 for each **Policy Period**, regardless of the number of fund transfer incidents. Any payment made by the Company under this Extension shall not reduce the Limits of Liability. The **Insured** shall be responsible for the first $5,000, in transferred or lost funds, monies or securities.

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

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

   a) administrative or regulatory proceeding, inquiry, or investigation against the **Insured**, or any regulatory response to incident reporting received by or on behalf of the **Insured**;
   b) written demand for non-monetary relief;
   c) an **Extortion** event.

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

   G. Damages means:

   1) A monetary amount for which an **Insured** is legally liable, including judgments (inclusive of any pre- or post-judgment interest), awards, settlements negotiated with the prior approval of the Company (except where such prior approval is not necessary as provided elsewhere in the Policy), or taxes, fines or penalties incurred by a third-party and included in such third-party's **Claim**;
   2) Amounts paid to a consumer redress fund due to a **Privacy and Network Security Incident**;
   3) Fines and penalties levied by a governmental or regulatory authority due to a **Privacy and Network Security Incident**. However, this coverage is subject to a Sub-Limit of Liability of $50,000, which amount is part of and not in addition to the Limits of Liability set forth in the Declarations and which shall reduce such Limits of Liability;

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4) Payment amounts, including the actual, reasonable and necessary costs to execute such payment, of an **Extortion** demand whether in digital currency or traditional currency. However, this coverage is subject to a Sub-Limit of Liability of $50,000, which amount is part of and not in addition to the Limits of Liability set forth in the Declarations and which shall reduce such Limits of Liability.

It is understood and agreed that with respect to **Damages** resulting from **Claims** for **Privacy and Network Security Wrongful Acts**, the maximum Sub-Limit applicable for sub-sections 1 through 4, above is $150,000.

Damages shall not include any:

5) Fines, sanctions, taxes, or penalties deemed uninsurable pursuant to any applicable law; other than those fines and penalties set forth in Paragraph 3) above;
6) Punitive, exemplary, treble damages or any other damages resulting from the multiplication of compensatory damages;
7) Non-pecuniary or equitable relief, or fees, costs or expenses incurred by an **Insured** to comply with any such relief;
8) The return or withdrawal of fees, commissions or brokerage charges;
9) Judgments or awards from acts deemed uninsurable by law; or
10) **Extortion** payment made without prior consent of the Company.

5. **SECTION III. DEFINITIONS**, subsection **M.**, **Personal Information**, is deleted in its entirety and replaced as follows:

M. Personal Information means:

1) any non-public information that could allow an individual to be uniquely identified; and
2) the definition provided in any federal, state, local or foreign privacy protection law or regulation governing the control and use of an individual's confidential or protected information.

6. **SECTION III. DEFINITIONS**, subsection **Q.**, **Privacy Regulations**, is deleted in its entirety.

7. **SECTION III. DEFINITIONS**, subsection **V.**, **Wrongful Act**, is amended to include the following:

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

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

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

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

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

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

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

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

1) **Data Forensics**; However, this coverage is subject to a Sub-Limit of Liability of $50,000;
2) **Public Relations**; However, this coverage is subject to a Sub-Limit of Liability of $50,000;

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

3) **Notification**;
4) **Fraud Monitoring and Resolution Services**;
5) **Call Center Services**; or
6) **Incident Response Consultation**; However, this coverage is subject to a Sub-Limit of $50,000.

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

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

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

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

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

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

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

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

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

Privacy and Network Security Incident means any of the following:

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

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

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

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

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

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

1) for the failure to transfer funds, monies or securities;

2) for any derivative suit or any actual or alleged violation of the Employee Retirement Income Security Act of 1974, as amended, the Securities Act of 1933, the Securities Exchange Act of 1934, or any other federal, state or local securities laws or regulations;

3) based upon or arising out of any actual or alleged discharge, dispersal, release or escape of toxic chemicals, liquids or gases, waste materials or other contaminants, or pollutants, however caused;

4) based upon or arising out of any suspension or reduction in utilities or telephone communications services not under the **Insured's** control;

5) based upon or arising out of declared war;

6) based upon or arising out of any infringement of copyright; plagiarism, piracy or misappropriation of ideas; or infringement of title, slogan, trademark, trade name, trade dress, service mark or service name; or

7) based upon or arising out of any actual or alleged unfair competition, deceptive trade practices, restraint of trade, or antitrust.

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

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

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

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

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

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

12. **SECTION VIII. <u>GENERAL CONDITIONS</u>** is amended to include the following:

    1) Incident Response

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

    2) Incident Response Consultation Hotline

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

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

    3) **Incident Response Consultation** Services

    Constangy, Brooks, Smith & Prophete; Cipriani Werner; and Mullen Coughlin are the exclusive Preferred Providers to provide **Incident Response Consultation** services in connection with a **Privacy and Network Security Incident**. Any decision to engage these exclusive Preferred Providers is solely at the **Insured's** discretion.

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

    4) Incident Response Services:

    Data Forensics:

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

These services include**:**

a) Evaluation and analysis of the **Insured's Network** to gather and preserve evidence for determining the breadth and source of a **Privacy and Network Security Incident**; and

b) Data mining to identify the **Affected Population**; and

c) Remediation of a **Privacy and Network Security Incident** on the **Insured's Network**.

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

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

a) Management of notification letter printing, mailing (via first class mail) and return mailing processing;

b) Change of address lookup and address verification;

c) Social Security Number verification and death registry lookup;

d) Enrollment in Triple Bureau Credit Monitoring for a period up to 12 months from the date of enrollment;

e) Enrollment in ChildScan for individuals under the age of 18, with continuous service until they reach the age of majority;

f) Automatic enrollment in Identity Protection, Repair and Resolution Services for a period of 12 months from the date of enrollment; and

g) **Call Center Services** for a period of up to 12 months following notification of a **Privacy and Network Security Incident**.

5) Nothing in this Section is meant nor will it be construed as a guarantee that the Preferred Providers will be available to provide the services described herein. The Company reserves the right to substitute a provider of like qualifications and competency in the event that a Preferred Provider is unavailable to perform the services. The Company may also change, amend or supplement its Preferred Providers from time to time for any reason. Both the Company and the **Insured** will agree in writing prior to retaining any vendor that is not a Preferred Provider.

6) Without the prior written consent of the Company, no coverage will be available under this Policy for any services performed by, or any engagement of, any third party service providers that are not specifically identified in this endorsement or pre-approved by the Company.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PUNITIVE DAMAGES COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

Company Sponsored Insurance Agents Professional Liability Insurance Policy

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

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

G. **Damages** means a compensatory monetary amount for which an **Insured** may be held legally liable, including judgments, awards, or settlements negotiated with the prior approval of the Company, provided that **Damages** shall not include:

1. Any disgorgement, return, withdrawal, restitution or reduction of any sums which are or were in the possession or control of any **Insured**;

2. Any amounts credited to any **Insured's** account;

3. Fines, sanctions, taxes, penalties or awards deemed uninsurable pursuant to any applicable law;

4. Punitive, exemplary, treble damages or any other damages resulting from the multiplication of compensatory damages;

5. Equitable relief, or fees, costs or expenses incurred by an **Insured** to comply with any such equitable relief;

6. Any amounts constituting a waiver of fees, charges, costs or any other monetary amounts the **Sponsoring Company** is contractually entitled to impose upon a client or customer;

7. The collection, payment or return of, or the failure to collect, pay or return, any commission, fee, tax, funds, premium or claim monies;

8. Any disputes involving an **Insured's** client lists, or non-compete or similar agreements; or

9. Any disputes involving an **Insured's** commissions, fees, charges, entitlements or other compensation,

Provided that this Exclusion shall not apply to punitive, exemplary, treble damages or any other damages resulting from the multiplication of compensatory damages, where allowable by law.

2. Solely with respect to coverage provided under this Endorsement, the following PUNITIVE DAMAGES SUBLIMIT OF LIABILITY shall apply, which shall be part of and not in addition to the Limits of Liability set forth in Item 3 of the Declarations:

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PUNITIVE DAMAGES SUBLIMIT OF LIABILITY (INCLUSIVE OF **CLAIMS EXPENSES**):

Each **Claim**:	$100,000
Agent Aggregate	$100,000

3. The PUNITIVE DAMAGES Retroactive Date shall be: 9/1/2011

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SETTLEMENT CLAUSE AMENDMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

Company Sponsored Insurance Agents Professional Liability Insurance Policy

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

1. **SECTION VI. E. DEFENSE, CONSENT, AND SETTLEMENT** is hereby deleted in its entirety and replaced by:

   E. If the **Insured** refuses to consent to a settlement acceptable to the claimant that the Company recommends, then, subject to the Limit of Liability set forth in the Declarations, the Company's liability for such **Claim** shall not exceed the amount for which such **Claim** could have been settled, plus **Claims Expenses** incurred up to the date the **Insured** refused to consent to the settlement ("Settlement Opportunity Amount"), plus ninety percent (90%) of **Damages** and/or **Claims Expenses** in excess of the Settlement Opportunity Amount. The remaining ten percent (10%) of Damages and/or **Claims Expenses** in excess of the Settlement Opportunity Amount shall be the **Insured's** responsibility and shall be uninsured.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL EXCLUSIONS AMENDMENT ENDORSEMENT

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

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

1. **SECTION IV. EXCLUSIONS** is hereby amended to include the following:

EE. Any life insurance policy with respect to which the premium was paid for in whole or in part by or through any premium finance mechanism or any premium finance company.

FF. Any unauthorized access to, or breach of, an **Insured's** computers or network security, including the loss, theft or unauthorized disclosure or dissemination of Personal Information, or the damage, destruction, or theft of confidential information of any **Insured**, except as otherwise provided in this Policy.

GG. Any loss of client or customer funds in reliance upon fraudulent instructions.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED ADDITIONAL INSURED COVERAGE ENDORSEMENT

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

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

1. **SECTION III. K. DEFINITIONS**, is amended to include the following:

   7. Senior Market Sales, LLC, Alliant Insurance Services, Inc., Alliant Holdings, LP, Care Value, LLC., O'Neill Marketing, Inc., Medi-Solutions Insurance Agency, LLC, First Jersey Insurance Agency, LLC and Centurion Senior Services, LLC but solely for its/their vicarious liability for the covered acts of an **Insured** while performing **Professional Services**, and when named as a co-defendant in a **Claim** made against an **Insured**, and not for any independent wrongful acts of this limited additional insured(s).

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE AND MAXIMUM AGGREGATE AMENDMENT ENDORSEMENT

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

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

1. ITEM 3. of the Declarations is deleted in its entirety and replaced as follows:

ITEM 3. **LIMITS OF LIABILITY** (INCLUSIVE OF **CLAIMS EXPENSES**)

Limits of Liability are:

(A) Each **Claim**: $1,000,000

(B) **Agent** Aggregate: $1,000,000

*Certain **Agents** have elected and paid for a $1,000,000 Each **Claim** and $2,000,000 **Agent** Aggregate Option or a $1,000,000 Each **Claim** and $3,000,000 **Agent** Aggregate Option. These elections are on file with CalSurance and Aspen.

2. ITEM 4. of the Declarations is deleted in its entirety and replaced as follows:

ITEM 4. **DEDUCTIBLE** (SUBJECT TO **DAMAGES** ONLY):

(A) Each **Claim** for **Company Sponsored** Insurance Products: NIL

(B) Each **Claim** for all other Insurance Products: $250

3. Section **VIII. A.1.c. Limits of Liability** is deleted in its entirety.

4. SECTION **VIII. A.2. Deductible** is deleted in its entirety and replaced with the following:

2. Deductible

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

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CLAIM/ENTITY EXCLUSION ENDORSEMENT

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

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

1. **SECTION IV. EXCLUSIONS** is hereby amended to include the following:

This Policy does not apply to any **Claim** based upon, arising out of, directly or indirectly, or in any way involving the following claim or entity, including any related or affiliated entities:

Michael Martinez
Stephen Klawonn and Diamond Benefits Insurance Services LLC

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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