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**LAWYERS PROFESSIONAL LIABILITY POLICY**  
**(A Delaware domiciled company, herein called the “Company”)**

**THIS IS A CLAIMS MADE AND REPORTED POLICY. CLAIMS MUST BE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE COMPANY NO LATER THAN SIXTY (60) DAYS AFTER THE END OF THE POLICY PERIOD OR DURING AN EXTENDED REPORTING PERIOD, IF APPLICABLE. THE PAYMENT OF CLAIM EXPENSES REDUCES THE LIMITS OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.**

In consideration of the payment of premium, the undertaking of the Named Insured to pay the deductible, and in reliance upon the statements in the application and subject to the Limits of Liability shown in the Declarations as well as the Exclusions, Conditions and other terms of this policy, the Company and Named Insured agree as follows:

**I. INSURING AGREEMENTS**

**A. LEGAL SERVICES**

The **Company** will pay on behalf of an **Insured** all amounts, in excess of the deductible, that an **Insured** becomes legally obligated to pay as **Damages** and **Claim Expenses** because of a **Claim** that is both made and reported to the **Company** during the **Policy Period** or any extended reporting period based on an alleged negligent act, error or omission in the **Insured’s** rendering or failing to render **Legal Services** for others. It is a condition precedent to coverage under this policy that the alleged negligent act, error or omission occurred:

1. during the **Policy Period**; or
2. prior to the **Policy Period**, provided that all of the following four conditions are met:
  - a. the **Insured** did not notify any prior insurer of such alleged negligent act, error or omission or **Related Negligent Act, Error or Omission**; and
  - b. prior to the inception date of the first policy issued by the **Company** if continuously renewed, no **Insured** had any basis (1) to believe that any **Insured** had breached a professional duty; or (2) to foresee that any such alleged negligent act, error or omission or **Related Negligent Act, Error or Omission**

might reasonably be expected to be the basis of a **Claim** against any **Insured**; and

c. prior to the date any **Insured** first became a member or employee of the **Named Insured**, such **Insured** had no basis (1) to believe that any **Insured** had breached a professional duty; or (2) to foresee that any such alleged negligent act, error or omission or **Related Negligent Act, Error or Omission** might reasonably be expected to be the basis of a **Claim** against any **Insured**; and

d. there is no policy that provides insurance to the **Insured** for such liability or **Claims**.

#### **B. DISCIPLINARY PROCEEDINGS SUB-LIMIT OF LIABILITY**

1. The **Company** will reimburse the **Insured** for defense costs incurred by the **Insured** to defend **Disciplinary Proceedings**. No deductible will apply to this coverage.
2. As a condition precedent to this coverage, the **Insured** must give the **Company** written notice within thirty (30) days of receipt of any **Disciplinary Proceeding** that has been initiated against the **Insured**.
3. Solely for the purpose of this coverage, the **Insured** will have the right and duty to defend the **Disciplinary Proceeding**; provided, however, that the **Company** will have the right to effectively associate in the defense and investigation of the **Disciplinary Proceeding** and be kept fully apprised as to the status of the **Disciplinary Proceeding**.
4. Solely for the purpose of this coverage, the **Insured** will have the right and duty to select counsel subject to the **Company's** prior written consent, which will not be unreasonably withheld.
5. The **Company** will not indemnify an **Insured** for any **Damages** incurred as a result of any **Disciplinary Proceeding**. The **Company** will not indemnify any **Insured** for defense costs in which the final resolution of the **Disciplinary Proceeding** results in the suspension or revocation of the **Insured's** license or right to practice law. The **Company** will have no obligation to reimburse the **Insured** for defense costs other than upon the final resolution of the **Disciplinary Proceeding** as described herein.

#### **C. NON-PARTY SUBPOENA EXPENSES SUB-LIMIT OF LIABILITY**

The **Company** will pay reasonable and necessary non-party subpoena expenses incurred by the **Insured** to provide advice regarding the production of documents, to prepare the **Insured** for sworn testimony and to represent the **Insured** at a deposition provided that:

1. the subpoena arises out of a lawsuit to which the **Insured** is not a party:  
and
2. the **Insured** has not been engaged to provide advice or testimony in connection with the lawsuit, nor has the **Insured** provided such advice or testimony in the past.

This coverage is subject to all of the exclusions of the policy and any coverage defenses which might apply with respect to **Claims**. No deductible will apply to this coverage. The **Insured** must give the **Company** written notice within thirty (30) days of receipt of any subpoena received by any **Insured**.

## II. DEFENSE AND SETTLEMENT OF CLAIMS

- A. The **Company** will have the right and duty to defend any **Claim** based on an alleged negligent act, error or omission in the **Insured's** rendering or failing to render **Legal Services** for others, seeking **Damages** that are covered by this policy. The **Company** will have the right to select defense counsel for the investigation, defense or settlement of the **Claim** and the **Company** will pay all reasonable **Claim Expenses** arising from the **Claim**.

The **Company** will have the right to conduct such investigation or negotiation of any **Claim** as it deems expedient. The **Company** will not be obligated to pay any **Damages** or **Claim Expenses**, or to defend or continue to defend any **Claim** after the **Company's** Limit of Liability Each Claim has been exhausted by payment or by deposit in a court having jurisdiction of sums reflecting the remaining applicable Limit of Liability Each Claim of the policy.

- B. The **Company** will not settle any **Claim** without the consent of the **Insured**, which will not be unreasonably withheld. If, however, the **Insured** refuses to consent to any settlement recommended by the **Company** and acceptable to the claimant, then the **Company's** Limit of Liability Each Claim under this policy will be reduced to the amount for which the **Claim** could have been settled plus all **Claim Expenses** incurred up to the time the **Company** made its recommendation. This amount will not exceed the remainder of the Limit of Liability Each Claim.

If the **Insured** refuses to settle, once the total **Claim Expenses** equal the amount for which the **Claim** could have been settled plus all **Claim Expenses** incurred up to the time the **Company** made its recommendation, the **Company** will have the right to withdraw from the further investigation and defense thereof by tendering control of such investigation or defense to the **Insured** and the **Insured** agrees, as a condition of the issuance of this policy, to accept such tender.

## III. LIMITS OF LIABILITY AND DEDUCTIBLE

### A. LIMITS OF LIABILITY

1. Limit of Liability Each **Claim**: The **Company's** Limit of Liability for **Damages** and **Claim Expenses** for each **Claim** will not exceed the amount shown in Item 4.A. of the Declarations.

2. Limit of Liability Disciplinary Proceedings: The **Company's** Limit of Liability for defense costs for each **Disciplinary Proceeding** is the amount shown in Item 4.B. The Aggregate Limit of Liability amount shown in Item 4.B. of the Declarations is the most we will pay for all **Disciplinary Proceedings** made and reported during the **Policy Period**.

This Limit of Liability is in excess of the Limit of Liability Each Claim, but part of, and not in addition to, the Aggregate Limit of Liability Each Policy Period specified in Item 4 of the Declarations. If the alleged negligent act, error or omission that gave rise to the **Disciplinary Proceeding** results in a **Claim**, the Limit of Liability Each Claim will not be reduced by any defense costs reimbursed to the **Insured** in connection with such **Disciplinary Proceeding**.

3. Limit of Liability Non-Party Subpoena Expenses: The **Company's** Limit of Liability for non-party subpoena expenses for each **Insured** is the amount shown in Item 4.C. of the Declarations. The Aggregate Limit of Liability amount shown in Item 4.C. is the most we will pay for all **Insureds** regardless of the number of non-party subpoenas. Any fees, costs and expenses paid under this insuring agreement for non-party subpoena expenses are within and not in addition to the Each Claim Limit of Liability specified in Item 4.A. and the Aggregate Limit of Liability Each Policy Period specified in Item 4. of the Declarations.
4. With respect to Insuring Agreement A, if the Limit of Liability Each Claim is exhausted prior to settlement or judgment of a **Claim**, the **Company's** obligations under this policy will be cancelled and the **Company** will have the right to withdraw from the further investigation or defense of such **Claim** by tendering control of such investigation or defense to the **Named Insured**, and the **Named Insured** agrees, as a condition to the issuance of this policy, to accept such tender.
5. With respect to Insuring Agreements B and C, if the Limit of Liability Each Disciplinary Proceeding or Each Insured is exhausted prior to the resolution of any **Disciplinary Proceeding** or non-party subpoena, the **Company's** obligations under this policy will be cancelled and the **Company** will have the right to withdraw from the further investigation or defense of such **Disciplinary Proceeding** or non-party subpoena by tendering control of such **Disciplinary Proceeding** or non-party subpoena to the **Named Insured**, and the **Named Insured** agrees, as a condition to the issuance of this policy, to accept such tender.
6. Aggregate Limit of Liability Each **Policy Period**: The **Company's** Aggregate Limit of Liability for the **Policy Period** is the amount shown in Item 4. of the Declarations. This is most we will pay for the combined total of all **Damages** and **Claim Expenses** for all **Claims**, defense costs in connection with **Disciplinary Proceedings** and non-party subpoena expenses. If the Aggregate Limit of Liability is exhausted prior to settlement or judgment of any **Claim**,

**Disciplinary Proceeding**, or non-party subpoena, the **Company's** obligations under this policy will be cancelled and the **Company** will have the right to withdraw from the further investigation or defense of any **Claim, Disciplinary Proceeding**, or non-party subpoena by tendering control of such investigation or defense to the **Named Insured**, and the **Named Insured** agrees, as a condition to the issuance of this policy, to accept such tender.

#### **B. DEDUCTIBLE**

1. The deductible amount shown in Item 4.A. of the Declarations will apply to all **Damages** and **Claim Expenses** for each and every **Claim**. The deductible will be applied first to **Claim Expenses** with any remainder applied to **Damages**.
2. The **Company's** obligation to pay or to reimburse is in excess of the deductible. The Deductible amount described above is included within and not in addition to the Limit of Liability for Insuring Agreement A. The **Named Insured** will pay the deductible within thirty (30) days of demand by the **Company**.

#### **C. MULTIPLE INSUREDS, CLAIMS AND CLAIMANTS**

The inclusion of more than one **Insured** in any **Claim**, or the making of **Claims** by more than one person or entity will not increase the **Company's** Limit of Liability Each **Claim** or the deductible. Two or more **Claims** arising out of a single act or omission, or **Related Negligent Act, Error or Omission** will be treated as a single **Claim**. All such **Claims**, whenever made, will be considered first made during the **Policy Period** in which the earliest **Claim** was first reported.

#### **D. MULTIPLE POLICIES**

If this policy and any other policy issued by the **Company** including any extended reporting period coverage afforded by such policy or policies, provides coverage to the same **Claim** against the **Insured**, the maximum limit of liability under all the policies will not exceed the highest remaining limit of liability under any one policy.

### **IV. EXCLUSIONS**

This policy will not apply to any **Claim, Disciplinary Proceeding** or non-party subpoena based upon or arising out of, in whole or in part:

- A. any intentional, criminal, fraudulent, malicious or dishonest act or omission by an **Insured**; except that this exclusion will not apply in the absence of a final adjudication or admission by an **Insured** that the act or omission was intentional, criminal, fraudulent, malicious or dishonest;
- B. any act whatsoever of an **Insured** in connection with a trust or estate when an **Insured** is a beneficiary or distributee of the trust or estate;

- C. any act or omission by any **Insured** in an action brought by or on behalf of any other **Insured**;
- D. the **Insured's** capacity or status as:
1. an officer, director, partner, trustee, shareholder, manager or employee of a business enterprise, charitable organization or pension, welfare, profit sharing, mutual or investment fund or trust;
  2. a public official, or an employee of a governmental body, subdivision, or agency unless the **Insured** is privately retained solely to render **Legal Services** to the governmental body, subdivision or agency and the remuneration for the **Legal Services** is paid directly or indirectly to the **Named Insured**;
- E. the alleged acts or omissions by any **Insured**, with or without compensation, for any business enterprise, whether for profit or not-for profit, in which any **Insured** has a **Controlling Interest**;
- F. any alleged violations of the Employment Retirement Income Security Act of 1974, its amendments, or any regulations or orders promulgated pursuant thereto;
- G. any liability assumed by an **Insured** under any oral or written contract or agreement, unless such liability would have attached to the **Insured** by law in the absence of such contract or agreement;
- H. the notarized certification or acknowledgment of signature without the physical appearance before such notary public of the person who is or claims to be the person signing said instrument;
- I. any actual, alleged or threatened discharge, dispersal, seepage, migration, release, emission escape or transportation of **Pollutants**, including, without limitation any direction, request, demand or order to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **Pollutants**.

## V. EXTENDED REPORTING PERIOD OPTIONS

### A. AUTOMATIC EXTENDED CLAIMS REPORTING PERIOD

1. If the **Company** or the **Named Insured** cancels or non-renews this policy for any reason, other than nonpayment of premium, the **Named Insured's** failure to comply with any term and condition of this Policy, fraud or material misrepresentation, the **Named Insured** will be entitled to a period of sixty (60) days from the date of policy termination to report **Claims** which are made against the **Insured** prior to such termination date and that arise out of an alleged negligent act, error or omission occurring prior to such termination date.

2. This Automatic Extended Claims Reporting Period does not require the payment of an additional premium. This Automatic Extended Claims Reporting Period will be included within the Optional Extended Claims Reporting Period if such is purchased.
3. The fact that the period during which the **Claims** can be made against the **Insured** and reported to the **Company** is extended by virtue of the Automatic Extended Claims Reporting Period will not in any way increase the Limits of Liability of this Policy.

#### **B. OPTIONAL EXTENDED CLAIMS REPORTING PERIOD**

1. If this Policy is cancelled or non-renewed, for any reason other than non-payment of premium, the **Named Insured's** failure to comply with any term and condition of this Policy, fraud or material misrepresentation, and the **Named Insured** does not obtain replacement coverage as of the effective date of such cancellation or non-renewal, the **Named Insured** will have the right, upon payment of additional premium, as stated below, to elect a continuation of coverage afforded by this policy for the additional period, also as stated below:

One Year (12 Months):	100% of Annual Expiring Premium
Two Years (24 months):	150% of Annual Expiring Premium
Three Years (36 Months):	185% of Annual Expiring Premium
Unlimited:	225% of Annual Expiring Premium

2. If elected, the Optional Extended Claims Reporting Period will commence upon the effective date of such termination or nonrenewal. Such continuation of coverage will apply only to a **Claim**, otherwise covered by this Policy, first made against the **Insureds** during the Optional Extended Claims Reporting Period for a negligent act, error or omission occurring prior to the end of the **Policy Period**.
3. The rights contained in this Section will terminate unless a written notice of election together with the additional premium due stated in B.1. above is received by the **Company** within sixty (60) days after the effective date of termination or nonrenewal.
4. There are no separate limits of liability for the Optional Extended Claims Reporting Period.

#### **C. UNLIMITED NONPRACTICING EXTENDED CLAIMS REPORTING PERIOD**

If an **Insured**:

1. ceases the private practice of law during the **Policy Period**;

2. has been continuously insured by the **Company** for at least three (3) consecutive years;
3. **ceases the performance of all Legal Services covered by this policy; and**
4. is fifty-five (55) years of age or older;

then such **Insured** has the right, for no extra charge, to elect an Unlimited Non-practicing Extended Claims Reporting Period, to report **Claims** first made against an **Insured** for any actual or alleged negligent act, error or omission occurring prior to the termination of the **Policy Period** and otherwise covered by this policy. Such Unlimited Non-practicing Extended Claims Reporting Period must be elected within sixty (60) days of the **Insured's** retirement or ceasing of the private practice of law.

#### **D. DEATH OR DISABILITY OF AN INSURED EXTENDED CLAIMS REPORTING PERIOD**

If an **Insured** dies during the **Policy Period**, such **Insured** will be provided with a Death Extended Claims Reporting Period commencing after the termination of the **Policy Period** at no additional premium until the executor or administrator of the estate is discharged, provided always that the death did not result from an intentionally self-inflicted injury, suicide or alcohol or drug abuse, and provided always that written notification and written proof of death of the **Insured** is provided within sixty (60) days of the date of death or prior to the end of the **Policy Period**, whichever is earlier.

If an **Insured** becomes **Totally and Permanently Disabled** during the **Policy Period**, such **Insured** will be provided with a Disability Extended Claims Reporting Period commencing after the termination of the **Policy Period** at no additional premium until the **Insured** is no longer **Totally and Permanently Disabled**. A condition to the extended reporting period for total and permanent disability will be that the **Insured** has had continuous coverage with the **Company** for at least three (3) consecutive prior full years, the **Insured** or his legal guardian provides written notice of the disability to the **Company** within sixty (60) days or prior to the termination of the **Policy Period**, whichever is earlier, and the **Insured** or the **Insured's** legal guardian provides a physician's written certification of the disability, including the date it began.

#### **E. ALL REPORTING PERIOD OPTIONS**

1. The right to any of the extended claims reporting period options is not available to any **Insured** where termination or nonrenewal by the **Company** is due to nonpayment of premium, the **Named Insured's** failure to comply with any term and condition of this Policy, fraud or material misrepresentation, or other money due to the **Company** or if the **Insured** has had his or her license to practice law suspended or revoked.
2. The Limits of Liability available for any extended claims reporting period option is part of, and not in addition to, the Limits of Liability shown on the

Declarations of the expiring policy. The deductible as shown on the Declarations will apply separately to each and every **Claim** under any extended claims reporting period option. The deductible will be waived in the event of the death of the **Insured** or in the event the **Insured** becomes **Totally and Permanently Disabled**.

3. None of the extended claims reporting period options are cancelable. None of the extended claims reporting options are renewable. The additional premium for the Optional Extended Claims Reporting Period is fully earned at the inception of the Optional Extended Claims Reporting Period.

## VI. CONDITIONS

### A. POLICY TERRITORY

This insurance is provided worldwide. Where **Claims** are made outside of the United States of America and its territories and possessions, Puerto Rico, or Canada, the following additional provisions apply:

1. The **Company** will have the right but not the duty to investigate, defend or settle any such **Claims** brought against an **Insured**;
2. If the Company elects not to investigate, defend or settle any such Claim, the Insured will, under the Company's supervision, arrange for such investigation and defense thereof as is reasonably necessary and subject to the Company prior authorization, will effect such settlement thereof as the Company and the Insured deem expedient;
3. The **Company** will reimburse the **Insured** for the reasonable cost of such investigation and defense and the amount of any settlement or judgment in excess of the deductible amount stated in the Declarations, all subject to and within the Limits of Liability stated in the Declarations; and
4. Such reimbursement will be made in United States currency at the rate of exchange prevailing on the date the judgment is rendered or the date that the amount of the settlement is agreed upon or the date expenditure is made.

### B. NOTICE TO THE COMPANY

1. **Notice** to the **Company** will be made at such location as is indicated in Item 6 of the Declarations. Notices to the **Company** will be sent to the applicable e-mail, facsimile, or other address specified in Item 6 of the Declarations, and shall include the policy number of this Policy, and become effective upon receipt.

#### 2. NOTICE OF AN ACTUAL CLAIM

The **Insured**, as a condition precedent to this policy, will immediately provide **Notice** to the **Company** of any **Claim** made against an **Insured**. In the event suit is brought against the **Insured**, the **Insured** will immediately

forward to the **Company** every demand, notice, summons or other process received directly or by any **Insured's** representative.

### 3. NOTICE OF A POTENTIAL CLAIM

The **Insured**, as a condition precedent to this policy, will immediately provide **Notice** to the **Company** if any **Insured** has any basis to believe that any **Insured** has breached a professional duty or to foresee that any such act or omission might reasonably be expected to be the basis of a **Claim**. If during the **Policy Period** the **Insured** will become aware of any act or omission that may reasonably be expected to be the basis of a **Claim** against an **Insured** and gives **Notice** to the **Company** of such act or omission and the reasons for anticipating a **Claim**, then any such **Claim** that is subsequently made against the **Insured** and reported to the **Company** will be deemed to have been made and reported at the time such **Notice** was given.

### 4. FRAUDULENT CLAIM

If any **Insured** will commit fraud in proffering any **Claim** with regard to amount or otherwise, this policy will become void *ab initio* as to such **Insured**.

## C. ASSISTANCE AND COOPERATION OF THE INSURED

All **Insureds** will cooperate with the **Company**, including providing all information requested by the **Company** regarding any **Claim**, and cooperating fully with the **Company** in the defense, investigation and settlement of any **Claim**. Upon the **Company's** request, all **Insureds** will submit to examination by a representative of the **Company**, under oath if required. In addition, upon the **Company's** request, all **Insureds** will attend hearings, depositions and trials, and will assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and in the conduct of suits, all without charge to the **Company**.

The **Insured** will follow the **Company's** direction regarding whether to accept or reject a demand for arbitration of any **Claim**, and will not voluntarily agree to arbitrate a **Claim** without the **Company's** written consent. No **Insured** will, except at the **Insured's** own cost, make any payment, make any admission, admit liability, waive any rights, settle any **Claim**, assume any obligation or incur any expense without the prior written consent of the **Company**.

## D. PROTECTION FOR INNOCENT INSUREDS

Whenever coverage under this policy would be excluded, suspended or lost because of Section IV -- Exclusions, subsection A, the **Company** agrees that such insurance as would otherwise be afforded under this policy will be applicable with respect to any **Insured** who did not personally acquiesce in or remain passive after having personal knowledge of such conduct.

Whenever coverage under this policy would be excluded, suspended or lost because of Section VI -- Conditions, subsection B.4, the **Company** agrees that such insurance

as would otherwise be afforded under this policy, will be applicable to any **Insured** who did not personally acquiesce in or remain passive after having personal knowledge of the **Claim** under Section VI -- Conditions, subsection B.2 or fraud under Section VI -- Conditions, subsection B.4.

The **Company's** obligation to pay will begin once the full extent of the assets of the responsible **Insured** have been exhausted and once the deductible as shown on the Declarations of the policy has been satisfied.

#### **E. SUBROGATION**

The **Company** will be subrogated to all **Insureds'** rights of recovery against any person or organization. All **Insureds** will assist the **Company** in effecting any rights of indemnity, contribution and apportionment available to any **Insured**, including the execution of such documents as are necessary to enable the **Company** to pursue claims in the **Insureds'** names, and will provide all other assistance and cooperation which the **Company** may reasonably require. All **Insureds** will cooperate with the **Company** and do nothing to jeopardize, prejudice or terminate in any way such rights.

The **Company** will not exercise any such rights against any **Insured** except as provided herein. Notwithstanding the foregoing, however, the **Company** reserves the right to exercise any rights of subrogation against any **Insured** with respect to any **Claim** brought about or contributed to by the intentional, criminal, fraudulent, malicious or dishonest act or omission of such **Insured**.

#### **F. CANCELLATION**

This policy may be canceled by the **Named Insured** by surrender of the policy to the **Company** or by mailing written notice to the **Company** stating when such cancellation will take effect. If canceled by the **Named Insured**, the **Company** will retain the customary short-rate proportion of the premium. In no event may the requested date of cancellation be greater than ten (10) days prior to the date the request is received by the **Company**.

This policy may be canceled by the **Company** by written notice mailed to the **Named Insured** at the address shown in Item 1 of the Declarations. Such cancellation will be no fewer than sixty (60) days from the date the notice is mailed unless the policy is canceled because the **Named Insured** has failed to pay a premium or deductible when due. In that event, such cancellation will take effect no fewer than ten (10) days from the date the notice is mailed.

If the policy is canceled by the **Company**, the earned premium will be computed pro-rata. Premium adjustment may be made at the time cancellation is effected or as soon as practicable thereafter. Failure to pay any premium adjustment at, on, or around the time of the effective date of cancellation will not alter the effectiveness of cancellation.

This policy will cancel upon expiration of the **Policy Period**.

#### **G. OTHER INSURANCE**

This insurance will apply only as excess insurance over any other valid and collectible insurance. This policy is written as specific excess of coverage available under any extended claims reporting period.

#### **H. ALTERATION, ASSIGNMENT & TITLES**

1. Notice to any agent or knowledge possessed by any agent or by any other person will not effect a waiver or change in any part of this policy nor prevent the **Company** from asserting any right under the terms of this policy.
2. Assignment of any interest under this policy will not bind the **Company** unless such assignment is acknowledged by a written endorsement issued by the **Company**.
3. The titles of the sections of, and endorsements to, this policy are for reference only. Such titles will not be part of the terms and conditions of coverage.

#### **I. ACTIONS AGAINST THE COMPANY AND DISPUTE RESOLUTION**

1. No suit or other proceeding will be commenced by any **Insureds** against the **Company** unless there will have been full compliance with all the terms and conditions of this policy.
2. No person or organization will have any right under this policy to join the **Company** as a party to any claim against the **Insureds** nor will the **Company** be impleaded by the **Insureds** in any such claim.
3. In the event that a dispute arises in connection with rights and obligations owed under this policy, the **Insured(s)** and the **Company** will participate in a non-binding mediation in which the parties will attempt in good faith to resolve such dispute. Either the **Insured(s)** or the **Company** will have the right to commence a judicial proceeding, or if the parties agree, submit the dispute to a binding arbitration, in order to resolve such dispute. However, no judicial proceeding or arbitration will be commenced prior to the termination of the mediation and until at least ninety (90) days has passed from the termination of the mediation. The costs and expenses of any mediation, or any arbitration, will be split equally by the parties.

#### **J. CHOICE OF LAW**

If a dispute arises over the meaning, interpretation or operation of any term, condition, definition or provision of this policy, the law of the State of New York will apply.

#### **K. APPLICATION**

By acceptance of this policy, all **Insureds** reaffirm as of the effective date of this policy that:

1. the statements in the application(s) and any attachment(s) attached hereto and made a part hereof, and all information communicated by the **Insureds** to the **Company**, either oral or written or electronically submitted, are true and accurate, are specifically incorporated herein, and are all **Insureds'** agreements, personal representations and warranties;
2. all such communicated information will be deemed material to the **Company's** issuance of this policy;
3. this policy is issued in reliance upon the truth and accuracy of such representations;
4. this policy embodies all agreements existing between the **Insureds** and the **Company**, or any of its agents, relating to this insurance; and
5. if any representation is false or misleading, this policy will be void *ab initio*.

**L. MATERIAL CHANGE**

Any **Material Change** during the **Policy Period** will be reported within thirty (30) days by the **Named Insured** to the **Company**.

**M. ENTIRE AGREEMENT**

This policy, including the Declarations, written endorsements, and the application will constitute the entire agreement between the **Company** and the **Insureds** or any of its agents regarding the insurance provided hereunder.

**N. POLICY CHANGES**

This policy will not be changed in any manner except by a written endorsement issued by the **Company**.

**O. WAIVER**

The **Company's** failure to insist on strict compliance with any terms, provisions or conditions to coverage of this policy or the failure to exercise any right or privilege will not operate or be construed as a waiver thereof or of any subsequent breach thereof or a waiver of any other terms, provisions, conditions, privileges or rights.

**P. DEFINED TERMS**

Terms used in the policy in bold faced type are defined herein.

**Q. BANKRUPTCY**

Bankruptcy or insolvency of any **Insured** will not relieve the **Company** of any of its obligations under this Policy, nor deprive the **Company** of any of its rights and defenses under this Policy.

In the event of the bankruptcy or insolvency of any **Insured**, the **Company** will advance **Damages** and **Claim Expenses** within the deductible, but will have the right to assert any appropriate claim or demand in such proceeding for payment of any obligations of any **Insured**, including, without limitation, any amounts which the **Company** advances on behalf of any **Insured** within the deductible.

**R. REFERENCES TO LAWS**

Any statute, act, or code mentioned in this policy will be deemed to include all amendments of, and rules and regulations promulgated under, such statute, act, or code.

**VII. DEFINITIONS**

**A. Claim** means a demand for money or **Legal Services**.

**B. Claim Expenses** means:

1. fees, costs and expenses charged by attorneys retained or approved by the **Company**;
2. reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim** including, but not limited to, premiums for any appeal bond, attachment bond or similar bond but without any obligation of the **Company** to apply for or furnish such bond.
3. reasonable and necessary expenses incurred by an **Insured** at the request of the **Company** to assist in the investigation of a **Claim**, including actual loss of earnings up to \$500 a day for each **insured** because of time off from work, subject to a limit of \$5,000 for each individual **Insured** and subject to a maximum limit of \$10,000 per **Policy Period** for all **Insureds**.

**Claim Expenses** will not include:

1. salaries;
2. other remuneration by or to any **Insured**.

The limit of liability will first be applied to **Claim Expenses** with the remainder, if any, being the amount available to pay as **Damages**. The determination by the **Company** as to the reasonableness of **Claim Expenses** will be conclusive on all **Insureds**.

**C. Company** means the entity listed in Item 1 of the Declarations.

**D. 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; or
2. vote 10% or more of the issued and outstanding voting stock in an incorporated entity; or
3. elect 10% or more of the directors of an incorporated entity; or
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.

**E. Damages** means the monetary portion of any judgment, award or settlement, provided such settlement is negotiated with the assistance and approval of the **Company**. **Damages** do not include:

1. compensation for bodily injury to, sickness, disease, death of any person, emotional distress or other emotional judgments or awards;
2. compensation for injury to or destruction of tangible property or loss of use or value thereof;
3. personal profit or advantage to which the **Insured** was not legally entitled;
4. criminal or civil fines, penalties (statutory or otherwise), fees or sanctions;
5. punitive, exemplary or multiple damages;
6. matters deemed uninsurable;
7. legal fees, costs and expenses paid to or incurred or charged by the **Insured**, no matter whether claimed as restitution of specific funds, forfeiture, financial loss, setoff or otherwise, and injuries that are a consequence of any of the foregoing; or
8. any form of equitable or non-monetary relief.

**F. Disciplinary Proceedings** means a grievance or allegation involving an act or omission made against an **Insured** to any professional entity charged with the responsibility to oversee lawyer disciplinary matters.

G. **“Domestic Partner”** means any natural person who enters into a civil union or qualifies as a domestic partner under any federal, state or local law or under the provisions of any formal program established by the **Named Insured**.

H. **Immediate Family** means:

1. the **Insured**;
2. the **Insured’s** spouse or **Domestic Partner**;
3. the **Insured’s** parent(s), adoptive parent(s) or step-parent(s);
4. the **Insured’s** sibling(s) or step-sibling(s);
5. the **Insured’s** child(ren), adoptive child(ren) or step-child(ren).

I. **Insured** means:

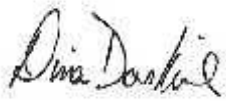
1. **Named Insured**, which is the entity shown in Item 1 of the Declarations;
2. any lawyer or professional corporation listed in the application on the day the **Policy Period** incepts until such time as the lawyer or professional corporation ceases to be a member of the **Named Insured** subject to section 4 below;
3. any lawyer or professional corporation who becomes a partner, officer, director, stockholder or shareholder or employee of the **Named Insured** during the **Policy Period** until such time as the lawyer or professional corporation ceases to be a member of the **Named Insured** subject to section 4 below;
4. any lawyer or professional corporation who is a former partner, officer, director, stockholder or shareholder or employee of the **Named Insured** or **Predecessor Firm**, but only in rendering or failing to render **Legal Services** on behalf of the **Named Insured** or **Predecessor Firm**;
5. any person or entity who is designated by the **Named Insured** as counsel or of counsel in the application, but only in rendering or failing to render **Legal Services** on behalf of the **Named Insured**;
6. any other person who is employed or retained by the **Named Insured** as a legal secretary, paralegal, contract attorney or other legal office staff member, but only in rendering or failing to render **Legal Services** on behalf of the **Named Insured** and also only within the scope of such employment or retention agreement; and;
7. the estate, heirs, executors, administrators, assigns and legal representatives of any **Insured** in the event of such **Insured’s** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would otherwise be provided coverage under this policy.

- J. Legal Services** means those services performed by an **Insured** as a licensed lawyer in good standing, arbitrator, mediator, title agent, notary public, administrator, conservator, receiver, executor, guardian, trustee or in any other fiduciary capacity but only where the act or omission was in the rendition of services ordinarily performed as a lawyer. **Legal Services** will not be extended to include services rendered as a real estate agent or broker or as an insurance agent or broker.
- K. Material Change** means:
1. an increase or decrease of lawyers or professional corporations resulting in a change to the **Named Insured** of greater than 50% of the total of all individuals who are partners, officers, directors, stockholders or shareholders of the **Named Insured** who perform **Legal Services** on behalf of the **Named Insured**; or
  2. the acquisition of the **Named Insured** by another entity, or the merger of the **Named Insured** into another entity such that the **Named Insured** is not the surviving entity or the acquisition of all or substantially all of the assets of the **Named Insured** by another entity.
- L. Notice** means the **Insured's** providing the following information to the **Company**, either in writing or as otherwise authorized by the **Company**:
1. the description of the alleged negligent act, error or omission; and
  2. the identities of the claimants or potential claimants; and
  3. the identities of the responsible **Insured(s)**; and
  4. the date and circumstances by which the **Insured(s)** first became aware of the alleged negligent act, error or omission.
- M. Policy Period** means the period specified in Item 3 of the Declarations, subject to any cancellation prior to the scheduled expiration date.
- N. Pollutants** means any solid, liquid, gaseous, biological, radiological or thermal contaminant or irritant including without limitation, smoke, vapor, soot, fumes, acids, alkalis, chemicals, mold, fungi, odors, noise, lead, oil or oil products, radiation, asbestos or asbestos containing products, waste or any electric, magnetic or electromagnetic field of any frequency. **Pollutants** also includes, without limitation, materials to be recycled, reconditioned or reclaimed.
- O. Predecessor Firm** means any entity engaged in **Legal Services** to whose financial assets and liabilities the **Named Insured** is the majority successor in interest.
- P. Related Negligent Act, Error or Omission** means a negligent act, error or omission that forms the basis for two or more **Claims**, where a series of continuous, repeated,

interrelated or causally connected acts or omissions give rise to one or more **Claims**, whether committed by one or more **Insured(s)**.

- Q. Totally And Permanently Disabled** means the **Insured** is wholly prevented from rendering **Legal Services**, provided that the disability has continued for at least six (6) months, is reasonably expected to be continuous and permanent and the disability did not result from intentionally self-inflicted injury, attempted suicide, alcohol or drug abuse.

In Witness Whereof, the Company has caused this policy to be executed and attested.



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Dina G. Daskalakis  
Secretary



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Christopher L. Gallagher  
President