

Attached please find your policy documentation for the Professionals RPG Association Insurance Agents E&O Program.

Should you have any questions about this plan please contact our office

Thank you for your participation in the program.

Kevin Dahlke Insurance Brokerage, Inc.
Program Administrator

Lexington Claims Operations
99 High Street
Boston, MA 02110



99 High Street
Boston, MA 02110

CLAIM REPORTING NOTICE

All Professional Liability claims regardless of severity or location are reportable to the Lexington Claims Department for handling.

The preferred reporting method for Lexington is e-mail, however, Lexington accepts new reports of losses in the following methods:

E-mail: <mailto:lexprofessional@aig.com>

FAX: 866- 671-9288

Mail: Lexington Claims Department
99 High Street
Boston, MA 02110
Attn: Karen Skiba, Asst. VP, Professional Liability Claims

Lexington Claims Key Contacts:

Karen Skiba, Asst. VP, Professional Liability Claims (617) 330-8304
Karen.skiba@aig.com

Stephen Harb, AVP, Professional Lines (617) 330-4225
Stephen.harb@aig.com

LEXINGTON INSURANCE COMPANY
Administrative Offices: 99 High Street, Boston, Massachusetts 02110
(hereinafter called the "Company")

INSURANCE AGENTS ERRORS & OMISSIONS
MASTER POLICY DECLARATIONS

NOTICE: THIS IS A CLAIMS MADE AND REPORTED POLICY. THIS POLICY APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF APPLICABLE.

PLEASE REVIEW THIS POLICY CAREFULLY AND DISCUSS THIS COVERAGE WITH YOUR INSURANCE REPRESENTATIVE.

PROGRAM ADMINISTRATOR
Kevin Dahlke Insurance Brokerage, Inc,
15396 Broad Oaks Rd.
El Cajon, CA, 92021
619-287-8613

Policy No: 59218318-3

Renewal of: 59218318-2

Item 1. A. Master Policyholder:

Professionals Risk Purchasing Group Association
One North Franklin, Suite 3600
Chicago, IL 60606

B. Named Insured: Location Address and Mailing Address:

as members of the Professionals Risk Purchasing Group Association,
as set forth in Item 1.A. above, and as specifically set forth in the applicable Declarations of Coverage.

Item 2. Master Policy Period:

Effective date: **01/01/2018** Expiration date: **01/01/2019**
(12:01 A.M. Standard Time at the address of the Master Policyholder shown above.)

Item 3. Limits of Liability: As per Declarations of Coverage

Item 4. Deductible: As per Declarations of Coverage

Item 5. Premium As per Declarations of Coverage

Item 6. Retroactive Date: As per Declarations of Coverage

Item 7. Endorsements: See Schedule

Item 8. Minimum Earned Premium:

Authorized Representative or
Countersignature Where Required by Law

LEXINGTON INSURANCE COMPANY
Administrative Offices: 99 High Street, Boston, Massachusetts 02110
(hereinafter referred to as, the "Company")

**INSURANCE AGENTS AND BROKERS ERRORS AND OMISSIONS LIABILITY INSURANCE
POLICY**

NOTICE: THIS IS A CLAIMS MADE AND REPORTED POLICY. THIS POLICY APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE COVERAGE PERIOD OR EXTENDED REPORTING PERIOD, IF APPLICABLE.

PLEASE REVIEW THIS POLICY CAREFULLY AND DISCUSS THIS COVERAGE WITH YOUR INSURANCE REPRESENTATIVE.

All words or phrases that are in bold face type, other than the caption titles, have the special meaning set forth in SECTION II. DEFINITIONS.

In consideration of the payment of the premium and in reliance upon the statements made in the Application, which is made a part hereof and deemed attached hereto, and subject to the Master Policy Declarations, the Declarations of Coverage and the limitations, conditions, provisions and other terms of the POLICY, the Company and the Insured agree as follows:

I. INSURING AGREEMENTS

A. Errors and Omissions Coverage

The Company will pay on behalf of the **Insured** all sums that the **Insured** shall become legally obligated to pay as **Damages** because of a **Claim** first made against the **Insured** and reported to the Company during the **Coverage Period** or extended reporting period, if applicable, by reason of a **Wrongful Act** in the performance of or failure to perform **Professional Services** by the **Insured** or by any other person or entity for whom the **Insured** is legally liable. The **Wrongful Act(s)** must have been committed on or subsequent the **Retroactive Date** and before the end of the **Coverage Period**.

B. Defense and Claims Expenses

Claims Expenses are in addition to the Company's Limits of Liability.

The Company shall have the right and duty to defend any covered **Claim** brought against the **Insured** even if the **Claim** is groundless, false or fraudulent. The **Insured** shall not admit or assume liability or settle or negotiate to settle any **Claim** or incur any **Claims Expenses** without the prior written consent of the Company and the Company shall have the right to appoint counsel and to make such investigation and defense of a **Claim** as it deems necessary.

The Company shall not settle any **Claim** without the written consent of the **Named Insured**. If the **Named Insured** refuses to consent to a settlement or a compromise recommended by the Company and acceptable to the Claimant, then the liability for such **Claim** shall not exceed the amount for which the Company could have resolved such **Claim** ("Proposed Resolution Amount") and **Claims Expenses** incurred up to the date the Company made the recommendation to resolve the **Claim**, plus 50% of any **Damages**, including **Claims Expenses**, exceeding the Proposed Resolution Amount, which total amount shall not exceed the Limits of Liability shown in Item 3. of the Declarations of Coverage. The remaining 50% of any **Damages**, including **Claims Expenses**, in excess of the Proposed Resolution Amount shall be borne by **Named Insured** at their risk.

The Company shall not be obligated to investigate, defend, pay or settle, or continue to investigate, defend, pay or settle any **Claim** after the applicable Limit of Liability shown in Item 3. of the Declarations of Coverage has been exhausted by payment of **Damages**.

C. Disciplinary Proceeding(s) Coverage

If an **Insured's Wrongful Act** results in the commencement during the **Coverage Period** of a **Disciplinary Proceeding** against an **Insured**, the Company will reimburse the **Insured** for **Claims Expenses** incurred in responding to such **Disciplinary Proceeding**. The maximum payment by the Company pursuant to this extension of coverage shall be \$50,000 for each **Coverage Period** regardless of the number of **Disciplinary Proceedings** or **Insureds**.

This amount is in addition to the Limits of Liability of the Policy and shall not be subject to the Deductible. However, the reimbursement of **Claims Expenses** under this **Disciplinary Proceedings Coverage** is included within and shall reduce the **Disciplinary Proceedings Coverage Limit** shown above.

D. Insured Loss of Earnings Due to Attendance at Hearing/Depositions

The company will pay the **Insured's** actual loss of earnings and reasonable expenses due to attendance at hearings, depositions or trials, at the request of the Company, up to \$500 per day. The maximum payable under this coverage extension is \$50,000 for all **Claims** covered by this policy.

This amount is in addition to the Limits of Liability of the Policy and shall not be subject to the Deductible.

E. Pre-Claims Assistance

The Company will pay on behalf of the **Insured** all reasonable and necessary attorney's fees and expenses incurred by the **Insured** for engaging the services of an attorney selected by the Company to assist the **Insured** in responding to a subpoena or request, if during the **Coverage Period**:

1. the **Insured** first receives a subpoena or a request for the **Insured's** records or files relative to a **Wrongful Act** in the performance of or failure to perform **Professional Services** by the **Insured** or by any other person or entity for whom the **Insured** is legally responsible; and
2. the **Insured** reports the receipt of such subpoena or request for the **Insured's** records, in writing, to the Company within thirty (30) days after such receipt and prior to a **Claim** being first made against the **Insured** arising out of such **Wrongful Act**;

The most the Company will pay pursuant to this Pre-Claims Assistance Coverage is \$10,000 each **Coverage Period**.

This amount is in addition to the Limits of Liability of the Policy and shall not be subject to the Deductible. However, the reimbursement of reasonable attorney's fees and expenses under this Pre-Claims Assistance Coverage is included within and shall reduce the Pre-Claims Assistance Coverage Limit shown above.

F. Joint Venture Participation Coverage

The Company will pay for such **Damages** that the **Insured** shall become legally obligated to pay as a result of **Claims** for which coverage is provided under this policy arising out of the **Insured's** legal liability for its participation in a joint venture with an entity. Coverage

afforded by this Paragraph I.F. applies only to the **Insured's Wrongful Act** and does not afford coverage to the joint venture itself or any entity that is part of the joint venture.

This amount is included within and shall reduce the Limit of Liability of the Policy.

II. DEFINITIONS

- A. **Bodily Injury** means injury to the body, sickness, or disease sustained by any person, including death resulting from any of these at any time.
- B. **Claim(s)** means a written demand for money, including any civil proceeding against the **Insured** for a **Wrongful Act**, in the performance of or failure to perform **Professional Services**. **Claim(s)** shall not include any **Disciplinary Proceeding**.

C. **Claims Expenses** means:

1. Attorneys' fees, expert witness fees, and other reasonable fees and costs incurred by the Company, or by the **Insured** with the Company's prior written consent, in the investigation and defense of covered **Claim(s)**;
2. premiums for any appeal bond, attachment bond or similar bond, provided the Company shall have no obligation to apply for or furnish such bond; and
3. prejudgment and post judgment interest awarded in any **Claims**.

Claims Expenses shall not include wages, salaries, fees or costs of directors, officers or employees of the Company or the **Insured**.

- D. **Coverage Period** means the period of time commencing on the inception date shown in Item 2. the Declarations of Coverage and ending on the earlier of the expiration date or the effective date of cancellation.

- E. **Damages** means any compensatory amount which the **Insured** becomes legally obligated to pay on account of a covered **Claim**, including judgments, awards and settlements and will include punitive and exemplary damages as permitted by state law. All settlements must be negotiated and agreed upon with the prior written consent of the Company.

Damages shall not include:

1. civil or criminal fines, penalties, or sanctions, whether pursuant to law, statute, regulation or court rule;
2. any matter, sum or award that is uninsurable under the law pursuant to which this Policy shall be construed; and
3. the cost to comply with any injunctive or other non-monetary or declaratory relief or any agreement to provide such relief.

- F. **Disciplinary Proceeding(s)** means any proceeding by a regulatory or disciplinary official, board or agency to investigate charges of professional misconduct in the performance of **Professional Services**.

G. **Insured(s)** means:

1. the **Named Insured** and any **Predecessor Firm(s)** of the **Named Insured**;

2. any past, present or future principal, partner, officer, director, stockholder, trustee or employee of the **Named Insured** or its **Predecessor Firm(s)** but only with respect to **Professional Services** performed on behalf of the **Named Insured** or its **Predecessor Firm(s)**;
3. independent contractors; shared, temporary or leased employees or unpaid family members who are natural persons, but only with respect to **Professional Services** performed on behalf of the **Named Insured** or its **Predecessor Firm(s)** within the scope of their duties related to the **Named Insured's** business.
4. the spouse or legally recognized domestic partner of any **Insured**, but only for a **Claim** arising solely out of his or her status as a spouse or legally recognized domestic partner of an **Insured** if the **Claim** seeks **Damages** from:
 - a. marital community property;
 - b. jointly held property; or
 - c. property transferred from a natural person **Insured** to his or her spouse or legally recognized domestic partner.

No coverage is provided for any actual or alleged **Wrongful Act** committed by such spouse or legally recognized domestic partner; and

5. the estate, heirs, executors, administrators or legal representatives of any **Insured** described in Subparagraphs 1., 2., 3. or 4. above 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.
- H. **Master Policy Period** means the period of time commencing on the inception date shown in Item 2. the Master Policy Declarations and ending on the earlier of the expiration date or the effective date of cancellation.
- I. **Mediation** means a non-binding process in which a neutral panel or individual assists the parties in reaching their own settlement. To be considered **Mediation** under this Policy, the process must be as set forth in the Commercial Mediation Rules of the American Arbitration Association or such other process as the Company may in its sole option approve.
- J. **Named Insured** means the individual or entity shown in Item 1. of the Declarations of Coverage.
- K. **Personal Injury** means injury arising out of one or more of the following:
1. false arrest, detention or imprisonment;
 2. malicious prosecution;
 3. libel, slander or other defamatory or disparaging material;
 4. publication or an utterance in violation of an individual's right to privacy, including but not limited to intrusion of solitude, public disclosure of private facts, or the publication of facts which place a person in a false light;
 5. wrongful entry or eviction, or other invasion of the right to private occupancy,
 6. mental injury, mental anguish, mental tension or emotional distress;
 7. unintentional, unauthorized dissemination of financial or medical records;

8. advertising injury, including dilution, deceptive trade practices, misrepresentation, wrongful publication, libel, slander, or other defamation in the **Named Insured's** Media communications or advertisements;
 9. misappropriation, or misdirection of messages or media owned by third parties by the **Insured**; or
 10. Plagiarism; piracy; misappropriation of ideas; or infringement of copyright of title, slogan, trademark, trade name, trade dress, service mark or service name.
- L. **Predecessor Firm(s)** means any entity which was engaged in the same essential types of insurance activities as the **Named Insured**, in whose financial assets and liabilities the **Named Insured** is the majority successor in interest.
- M. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including without limitation, smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- N. **Professional Services** means services provided to others in any of the following capacities:
1. Insurance Agent,
 2. Insurance Broker,
 3. Insurance Consultant,
 4. Insurance Premium Financier,
 5. Insurance Surplus Lines Insurance Broker,
 6. Notary Public,
 7. Lecturer, speaker, instructor or teacher at any convention or conference related to insurance or at any other meeting or course if continuing education credits approved by a Department of Insurance are earned by the attendee,
 8. Expert witness concerning any insurance-related subject,
 9. Seller of Mutual Funds through a registered Broker Dealer, and/or
 10. Provider of Services as a Licensed Registered Representative in connection with the sale of Variable Life and Variable Life Annuity Products and any related advertising activities.
- O. **Property Damage** means:
1. physical injury to, or loss or destruction of, tangible property, including the loss of use thereof, and
 2. loss of use of tangible property which has not been physically injured or destroyed.
- P. **Retroactive Date** means the date specified in Item 6. of the Declarations of Coverage.
- Q. **Standard Agency, Brokerage, or Claims Administrator Agreement** means any formal executed written contract entered into by the **Named Insured** with any insurer, the purpose of which is to establish a relationship whereby the **Named Insured** represents the insurer in an agent, broker, wholesaler, general agent, managing general agent, underwriting manager, or claims administrator capacity.

- R. **Wrongful Act(s)** means any actual or alleged act, error, omission, misstatement, misleading statement, **Personal Injury**, neglect or breach of duty to provide **Professional Services** by the **Insured** or by any other person or entity for whom the **Insured** is legally liable.

III. LIMITS OF LIABILITY AND DEDUCTIBLE

A. Limit of Liability - Each Claim

The Limit of Liability shown in Item 3.(a) of the Declarations of Coverage is the Company's maximum liability for all **Damages** with respect to a single **Claim**.

B. Limit of Liability - Aggregate

The Limit of Liability shown in Item 3.(b) of the Declarations of Coverage is the Company's maximum liability for all **Damages** with respect to all **Claims** for which this Policy applies regardless of the number of **Insureds**, **Claims** made or persons or entities making **Claims**.

The Company shall not be obligated to pay any **Damages** or to defend any **Claim** after the applicable Limit of Liability has been exhausted by payment of **Damages**.

C. Deductible

The Deductible amount shown in Item 4.(a) on the Declarations of Coverage is applicable to each and every **Claim** and applies to **Damages**. The Deductible shall be paid by the **Named Insured** and shall be uninsured and shall remain uninsured during the **Coverage Period**. The Aggregate Deductible shown in Item 4.(b) on the Declarations of Coverage shall be reduced by **Damages** payable within the Each and Every Claim Deductible. Once the Aggregate Deductible is exhausted, no further Deductible shall apply to any subsequent **Claims**.

The Limits of Liability shown in Item 3. on the Declarations of Coverage are in addition to and in excess of the Deductible. The Company may advance payment of part or all of the Deductible and upon written notification of such payment made, the **Named Insured** shall promptly reimburse the Company for the Deductible amounts advanced by the Company.

The Deductible shall be reduced by the payment of **Damages** only.

However, the Deductible amounts shown in Items 4(a) and 4(b) of the Declarations of Coverage shall not apply to a specific **Claim** if the **Named Insured**:

1. Completes the **INSURANCE AGENTS INTERNAL QUALITY CONTROL PROGRAM**; and
2. Provides the Company with the **Named Insured's** complete file related to any person or entity making a **Claim** against an **Insured**. The following documentation must be provided to the Company within 5 days of the date the **Claim** is presented to the **Company**:
 - a. written notice of the **Claim** and every demand, notice, summons, or other process or pleadings received by the **Named Insured** or its representatives;
 - b. a copy of the applicable Coverage Form issued to the **Named Insured**;
 - c. a copy of the **Named Insured's** completed application;
 - d. copies of all written communications between an **Insured** and the person or entity making a **Claim** against the **Insured**;
 - e. a complete written timeline of events related to the **Claim**;

- f. a log of any issues discussed via telephone between an **Insured** and the person or entity making a **Claim** against the **Insured**;
- g. any Reservation of Rights Letters and other written correspondence describing coverage, changes, limitations and exclusions related to the **Claim**; and
- h. any other pertinent documentation contained in the **Named Insured's** file regarding the **Claim**;

Nothing herein relieves any **Insured** of his or her duty to cooperate with the Company and assist the Company in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the general conduct of any suits as provided in Paragraph C. Assistance and Cooperation of Section V. **CONDITIONS** of the Policy.

D. Deductible Credits

- 1. If a **Claim** is fully and finally resolved to the satisfaction of all parties including the Company, without litigation, arbitration, mediation or other court mandated proceedings, the **Insured's** Deductible obligation for such **Claim** shall be reduced by seventy-five (75) percent up to a maximum reduction of \$25,000.
- 2. If through **Mediation** a **Claim** is fully and finally resolved to the satisfaction of all parties, including the Company, the **Insureds'** Each **Claim** Deductible obligation for such **Claim** shall be reduced by fifty (50) percent up to a maximum reduction of \$25,000.

E. Multiple Claims

All **Claims** arising out of the same **Wrongful Act** or series of interrelated **Wrongful Acts** shall be deemed to be a single **Claim** and shall be deemed to have been made at the time the first of such **Claims** is made against the **Insured**.

IV. EXCLUSIONS

This policy does not apply to any **Claim** against the **Insured**:

- A. based on or arising out of any actual dishonest, fraudulent, criminal or malicious act or omission by an **Insured**, however, this exclusion shall not apply to any **Insured** who:
 - 1. did not personally commit, participate in, or acquiesce in the act, error or omission; and
 - 2. did not remain silent or passive after having personal knowledge of the act, error, or omission; and
 - 3. notified the Company immediately upon becoming aware of the act, error, or omission.

Notwithstanding the above, even if the **Insured** personally committed, participated in, or acquiesced in any actual dishonest, fraudulent or malicious act, error or omission, the Company will provide reimbursement to such **Insured** for reasonable and necessary attorney's fees and expenses incurred by such **Insured** in defending a **Claim** based upon or arising out of such act, error or omission. However, the following conditions shall apply:

- 1. The **Insured** will be reimbursed only if such **Insured** is determined not to be liable for such acts, errors or omissions by a final judgment on the merits; and
- 2. The **Insured** will only be reimbursed for reasonable and necessary attorney's fees and expenses incurred up to the date of such judgment.

However, criminal proceedings or investigations are not covered by this policy regardless of the allegations made against the **Insured**; and

The most that the Company will reimburse the **Insured** for all reasonable and necessary attorney's fees and expenses under this Paragraph A. will be \$250,000 in the Aggregate.

- B. based on or arising out of any actual or alleged **Bodily Injury** or **Property Damage**. However, this exclusion shall not apply to the extent such **Claim** is based upon or arises out of any **Wrongful Act** in the performance of or failure to perform **Professional Services** by the **Insured**.
- C. based on or arising out of any actual or alleged liability assumed by the **Insured** under any contract or agreement, unless such liability would have attached to the **Insured** even in the absence of such contract.

However, this Exclusion does not apply to any liability the **Named Insured** or any **Predecessor Firms** assume under any formal written **Standard Agency, Brokerage, or Claims Administrator Agreement** to indemnify any insurer, insurance agency or insurance brokerage whom the **Insured** represents, other than those owned by, affiliated with or described as part of the Farmers Insurance Group of Companies, for **Damages** or **Claims Expenses** the insurer, insurance agency or insurance brokerage incurs solely and exclusively due only to **Wrongful Acts** committed by an **Insured**, or by any other person or entity for whom the **Insured** is legally liable.

- D. by or on behalf of any entity:
 - 1. which wholly or partly owns the **Insured**;
 - 2. which to any extent controls, operates or manages an **Insured**;
 - 3. in which an **Insured** has a greater than 25% ownership interest; or
 - 4. which is controlled, operated or managed by an **Insured**.
- E. based on or arising out of any actual or alleged:
 - 1. illegal discrimination of any kind, or
 - 2. humiliation, harassment, or misconduct arising out of or related to any such discrimination;However, this exclusion shall not apply to **Claims Expenses** or the Company's duty to defend any such **Claim**.
- F. based on or arising out of any actual or alleged violation of any antitrust, restraint of trade or other law, rule or regulation which protects competition.
- G. based on or arising out of any actual or alleged violation of:
 - 1. Employee Retirement Income Security Act of 1974;
 - 2. Securities Act of 1933;
 - 3. Securities Exchange Act of 1934;
 - 4. any state securities law;

including, any rules or regulations promulgated under any law specified in subparagraphs 1. through 4. above or any other similar federal, state or common law; or any amendments thereto.

- H. based on or arising out of a **Wrongful Act** actually or allegedly committed prior to the beginning of the **Coverage Period**, if, on or before the earlier of the effective date of this Policy or the effective date of any Policy issued by the Company to which this Policy is a continuous renewal or replacement, the **Insured** knew or reasonably could have foreseen that the **Wrongful Act** did or could lead to a **Claim**.
- I. based on or arising out of a **Wrongful Act**, fact or circumstance which before the effective date of the Policy was reported to the Company or any other Insurer.
- J. based on or arising out of:
 - 1. any actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** by any **Insured** at any time; or
 - 2. any request, demand or order that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **Pollutants**; including without limitation any **Claim**, suit or proceeding by or on behalf of a governmental authority, a potentially responsible party or any other person or entity for **Damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **Pollutants**.
- K. based on or arising out of the inability, failure, or refusal of any insurance entity of any kind, to pay all or any part of any **Claim** or any kind of legal or financial obligation due to insolvency, bankruptcy, or going into, or being in any conservatorship, receivership, rehabilitation or liquidation status or proceeding.

However, this Exclusion will not apply to:

- 1. any entity rated B+ or better by A.M. Best Company or by Demotech as A or better at the time of the placement of such coverage; or
- 2. any joint underwriting association, state fund or fair plan guaranteed and/or operated by a governmental body.
- L. based on or arising out of the actual or alleged failure to collect, pay, or return to anybody any policy premium, return premium, commission, tax, or policy fee of any kind. However, this exclusion does not apply to bookkeeping oversights or omissions.
- M. based on or arising out of the placement of insurance on any property in the care, custody or control of the **Insured** at any time.
 - 1. N. based on or arising out of: Any actual or alleged unauthorized use, release or disclosure of trade secrets or confidential, non-public, private or proprietary information. However, this exclusion does not apply to coverage provided under the Network Security and Privacy Endorsement; or
 - 2. Any actual or alleged unauthorized use, release or disclosure of non-public information in a manner prohibited by the laws of the United States or any other jurisdiction, including, but not limited to, the Insider Trading and Securities Fraud Enforcement Act of 1988, as amended from time to time, Section 10(b) of the Securities Exchange Act of 1934, as amended from time to time, and Rule 10b- 5 thereunder, any state, commonwealth,

province, territory or subdivision thereof, or the laws of any other jurisdiction, or any rules or regulations promulgated under any of the foregoing.

- O. based on or arising out of the purchase, sale, or the giving of advice regarding promissory notes, viatical or life settlements or any security backed by viatical settlements, commodities, commodity future contracts, or option contracts.

V. CONDITIONS

A. Notice of Claims

The **Insured**, as a condition precedent to the obligations of the Company under this Policy, shall give written notice to the Company immediately, but in no event later than 60 days after the end of the **Coverage Period** of any **Claim** made against the **Insured**.

The **Insured** shall immediately forward to the Company, at the address shown in Item 7. of the Declarations of Coverage, every demand, notice, summons, or other process or pleadings received by the **Insured** or its representatives.

B. Notice of Potential Claims

If during the **Coverage Period**, any **Insured** becomes aware of any **Wrongful Act** which may reasonably be expected to be the basis of a **Claim** against the **Insured**, and during the **Coverage Period** gives written notice thereof to the Company with all available particulars, including but not limited to:

1. the specific **Wrongful Act**;
2. the dates and persons involved;
3. the identity of anticipated or possible Claimants;
4. the circumstances by which the **Insured** first became aware of the possible **Claim**;

then any **Claim** which is subsequently made against the **Insured** arising from such **Wrongful Act**, and properly reported to the Company, shall be deemed to have been made at the time such written notice is given to the Company.

C. Assistance and Cooperation

The **Insured** shall cooperate with the Company, and provide to the Company all information and assistance which the Company reasonably requests including without limitation attending hearings, depositions and trials and assisting in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and conducting the defense of any **Claim** covered by this Policy. The **Insured** shall do nothing that may prejudice the Company's position.

D. Action Against the Company

No action shall be brought against the Company, unless, as a condition precedent thereto, the **Insured** shall have fully complied with all the terms of this Policy, and the amount of the **Insured's** obligation to pay shall have been fully determined either by judgment against the **Insured** after actual trial and appeal or by written agreement of the **Insured(s)**, the Claimant and the Company.

E. Other Insurance

PRG 3772 (1/15)	©All rights reserved.	Page 10 of 14
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This Policy shall be excess over any other valid and collectible insurance, self-insurance or indemnification available to the **Insured**, whether such other insurance or indemnification is stated to be primary, contributory, excess, contingent, self-insured or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability of this Policy.

F. Changes

Notice to any agent or broker or knowledge possessed by any agent or broker or by any other person shall not effect a waiver or a change in any part of this Policy or prevent the Company from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed except by endorsement issued to form a part of this Policy and signed by an authorized representative of the Company.

G. Territory

This policy applies to **Wrongful Acts** taking place in:

1. The United States of America (including its territories and possessions), Puerto Rico and Canada; and
2. All other parts of the world if the **Insured's** responsibility to pay **Damages** is determined in a suit on the merits in the territory described in Paragraph 1. above or in a settlement we agree to.

If coverage for a **Claim** or suit under this policy is in violation of any United States of America's economic or trade sanctions, including, but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") then coverage for that **Claim** or suit shall be null and void.

H. Subrogation

In the event of any payment under this Policy, the Company shall be subrogated in the amount of such payment to the **Insured's** rights of recovery therefore against any person or entity. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing to prejudice such rights. However, in no event shall the Company be subrogated in a right of action against another **Insured**.

Any recovery (after expenses) shall be used to reduce the Loss, and so much of such recovery shall be paid to the Company as will reduce the Loss ultimately borne by the Company to what it would have been, had the recovery preceded any payment of such Loss by the Company.

I. Bankruptcy

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

J. Assignment

No assignment of interest of the **Insured** under this Policy shall be valid unless the written consent of the Company is endorsed hereon.

K. Named Insured as Sole Agent

The entity or person first named in Item 1. of the Declarations of Coverage shall be the sole agent of all **Insureds** hereunder for the purpose of effecting or accepting any notices hereunder, any amendments to or cancellations of this Policy, for the completing of any

Applications and the making of any statements, representations, or for the payment of any premium and the receipt of any return premium that may become due under this Policy, and the exercising or declining to exercise any right under this Policy.

L. Cancellation

1. Cancellation of Declarations of Coverage

- a. The Company may cancel a Declarations of Coverage by delivering or mailing to the **Named Insured** by registered, certified or other first class mail written notice of cancellation at least:
 - (1) Ten (10) days before the effective date of cancellation if the Company cancels for nonpayment of premium; or
 - (2) Sixty (60) days before the effective date of cancellation if the Company cancels for any other reason.
- b. The **Named Insured** may cancel a Declarations of Coverage by surrendering its Declaration of Coverage or by mailing or delivering to the Company written notice stating when thereafter such cancellation shall be effective.
- c. The mailing of notice as aforesaid shall be sufficient proof of notice. If a Declaration of Coverage is cancelled by the Company, the earned premium shall be computed on a pro rata basis. If the **Named Insured** cancels, earned premium will be calculated in accordance with the customary short-rate table and procedure. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
- d. The cancellation of any Declaration of Coverage shall have no effect on any other Declaration of Coverage currently in force.
- e. The Company will deliver or mail its cancellation notices to the **Named Insured's** last mailing address known to the Company.
- f. Notice of cancellation will state the effective date of cancellation. The **Coverage Period** will end on that date.

2. Cancellation of Master Policy

- a. The Company may cancel this Master Policy by delivering or mailing to the Master Policyholder shown in Item 1.A. of the Master Policy Declarations by registered, certified or other first class mail notice of cancellation at least ninety (90) days before the effective date of cancellation.
- b. The policyholder may cancel this Master Policy by surrendering this Master Policy or by mailing or delivering to the Company written notice stating when thereafter such cancellation shall be effective.
- c. The mailing of notice as aforesaid shall be sufficient proof of notice.
- d. Cancellation of the Master Policy shall have no effect upon the Declarations of Coverage issued prior to the effective date of cancellation. Such Declarations of Coverage shall remain in force until their expiration date or earlier cancellation date.
- e. Notwithstanding the cancellation of the Master Policy, the terms and conditions of this

Master Policy shall apply to the Declarations of Coverage issued during the time the Master Policy was in effect.

- f. No Declarations of Coverage can be issued after the effective date of cancellation of the Master Policy.
- g. The Company will deliver or mail its cancellation notices to the Master Policyholder's last mailing address known to the Company.
- h. Notice of cancellation will state the effective date of cancellation. The **Master Policy Period** will end on that date.

M. Application

By acceptance of this Policy the **Insured** agrees that:

- 1. All the information and statements provided to the Company by the **Insured** which are contained herein, attached to or incorporated in the Application for this Policy are true, accurate, and complete and shall be deemed to constitute material representations made by the **Insured**;
- 2. This Policy is issued in reliance upon such **Insured's** representations;
- 3. This Policy, including all endorsements hereto, and the completed and signed Application and any and all supplementary information and statements provided by the **Insured** to the Company (all of which are deemed to be incorporated herein) embody all of the agreements existing between the **Insured** and the Company and shall constitute the entire contract between the **Insured** and the Company.

N. Acquisitions and Mergers

In the event of any merger, consolidation or acquisition involving the **Named Insured** with any other party, the **Insured** shall notify the Company of such change within 90 days of the effective date of such change. If such notification is not made to the Company, all coverage for the merged or acquired entity will cease 90 days after the date of the merger or acquisition. The Company at their sole discretion may charge an additional premium or amend or cancel coverage following any merger or acquisition.

O. Service of Suit

In the event of the Company's failure to pay any amount claimed to be due hereunder, the Company, at the **Insured's** request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, Lexington Insurance Company, 99 High Street, Boston, Massachusetts, 02110 or his or her representative, and that in any suit instituted against the Company upon this policy, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, the Company hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successors in office as the Company's true and lawful attorney upon whom may be served any

lawful process in any action, suit, or proceeding instituted by the **Insured** or on the **Insured's** behalf or any beneficiary hereunder arising out of this policy of insurance and hereby designate the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

VI. EXTENDED REPORTING PERIODS

In case of cancellation or nonrenewal of this Policy, by either the **Named Insured** or the Company, for reason other than the **Named Insured's** non payment of amount due under this Policy or non compliance with the terms and conditions of this Policy, the **Named Insured** shall have the right to an Extended Reporting Period as follows:

A. Automatic Extended Reporting Period

Coverage as provided under this Policy shall automatically continue for a period of sixty (60) days following the effective date of such cancellation or nonrenewal (the "Automatic Extended Reporting Period"), but only for a **Claim** first made against the **Insured** and reported to the Company during the Automatic Extended Reporting Period and only with respect to **Claims** for **Wrongful Acts** committed before the effective date of such cancellation or nonrenewal and subsequent to the **Retroactive Date**.

The Automatic Extended Reporting Period does not extend the **coverage period**, change the scope of coverage provided, or increase or reinstate the Limits of Insurance.

B. Optional Extended Reporting Period

The **Named Insured** shall have the right, upon payment of the additional premium set forth in the table below to an extension of the coverage provided under this Policy following the effective date of such cancellation or nonrenewal, but only for a **Claim** first made against the **Insured** and reported to the Company during the Optional Extended Reporting Period and only with respect to **Claims** for **Wrongful Acts** committed before the effective date of such cancellation or nonrenewal and subsequent to the **Retroactive Date**. This right shall terminate, however, unless written notice of such election and payment of the additional premium is received by the Company no later than sixty (60) days after the effective date of cancellation or nonrenewal. The premium shall be fully earned upon the inception date of the Optional Extended Reporting Period and the Optional Extended Reporting Period cannot be canceled.

The first sixty (60) days of the Optional Extended Reporting Period, if it becomes effective, shall run consecutively with the Automatic Extended Reporting Period.

The Optional Extended Reporting Period does not extend the **coverage period**, change the scope of coverage provided, or increase or reinstate the Limits of Insurance..

Optional Extended Reporting Period	Flat Premium (the percent of the annual premium shown on the Declarations of Coverage)
3 years	75%
4 years	100%
5 years	125%
Unlimited	225%

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.:

**NETWORK SECURITY AND PRIVACY PROTECTION COVERAGE ENDORSEMENT
(Including Personal Injury Media Liability)**

This endorsement modifies insurance provided under the following:

INSURANCE AGENTS AND BROKERS ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY

Schedule

A. Network Security and Privacy Protection Limits of Liability and Deductible	
1. Aggregate Sublimit of Liability	\$125,000 Part of, and not in addition to, the Aggregate Limit of Liability shown in Item 3(b) of the Declarations of Coverage
2. Each Claim Sublimit of Liability	\$125,000
3. Deductible	Subject to the Deductible Limit shown in Item 4.(a) of the Declarations of Coverage and the Deductible Provisions of the Policy to which this Endorsement is attached.
B. Additional Coverages - Limits of Liability (In addition to the Limits of Liability shown in Item 3. of the Declarations of Coverage). A deductible of \$2500 shall apply to these Additional Coverages.	
1. Event Regulatory Expenses Limit	\$50,000 Per Coverage Period
2. Event Mitigation Expenses Limit	\$25,000 Per Coverage Period
3. Public Relations Expenses Limit	\$10,000 Per Coverage Period
4. Regulatory Disclosure Expenses Limit	\$25,000 Per Event
5. Electronic Data Restoration Expenses Limit	\$10,000 Per Event
C. Retroactive Date	
	Subject to the Retroactive Date stated in Item 6. of the Declarations of Coverage
D. Additional Premium for Network Security and Privacy Protection Coverage	
	\$ Included
Information required to complete this Schedule if not shown above, will be shown in the Declarations	

of Coverage.

The following terms and conditions apply to coverage provided by this Network Security and Privacy Protection Coverage Endorsement only (hereinafter, the "Endorsement") and shall supersede any similar terms of the policy to the contrary. Notwithstanding the foregoing, to the extent not superseded, we shall apply the terms and conditions of the Policy that are not inconsistent with this Endorsement.

I. Section I. **INSURING AGREEMENTS** is amended to include the following Coverage:

NETWORK SECURITY AND PRIVACY PROTECTION COVERAGE

The Company will pay on behalf of the **Insured** those sums that the **Insured** shall become legally obligated to pay as **Damages** resulting from a **Claim** alleging a **Network Security Event** or a **Privacy Event** that is first made against the **Insured** during the **Coverage Period** or the **Extended Reporting Period**, if applicable, and reported to the Company in accordance with the terms of this Endorsement.

For this coverage to apply, all the following conditions must be satisfied:

1. prior to the effective date of this Endorsement or, if this a renewal of a policy which included this Endorsement, the effective date of the first Endorsement issued by the Company to the Named Insured that is continuously renewed by the Company, no partner, principal, officer or owner of the Named Insured or any person authorized to receive notice of a **Claim** had knowledge of a **Network Security Event**, a **Privacy Event**, or any fact or circumstance likely to give rise to a **Claim**; and
2. the **Insured** did not give notice to a prior company of any **Network Security Event** or **Privacy Event** or **Claim**; and
3. the **Network Security Event** or **Privacy Event** forming the basis of the **Claim** must first occur on or after the Retroactive Date shown in Item 6. of the Declarations of Coverage and prior to the end of the **Coverage Period**; and
4. the **Insured** must report the **Network Security Event** or **Privacy Event** to the Company, in writing, as soon as practicable, but no later than sixty (60) days after the **Insured** first discovers the **Network Security Event** or **Privacy Event**.

II. The Policy is amended to include the following Additional Coverages. This Limits of Liability for these Additional Coverages shall be in addition to the Limits of Liability shown in Item 3. of the Declarations of Coverage. A Deductible amount of \$2500 is applicable to all expenses payable by the Company under the Additional Coverages. The Deductible shall be paid by the Named Insured and shall be uninsured and shall remain uninsured during the **Coverage Period**. The Limits of Liability shown in Items B.1. through 5. of the Schedule are in addition to and in excess of this Additional Coverages Deductible.

1. Event Regulatory Expenses

The Company will pay the **Insured** for all reasonable and necessary **Event Regulatory Expenses** resulting from a **Network Security Event** or **Privacy Event** first discovered by an **Insured** during the **Coverage Period** and reported to the Company in accordance with the terms of this endorsement. The most the Company will pay the **Insured** under this Event Regulatory Expenses Additional Coverage is the amount shown in Item B.1. of the Schedule per **Coverage Period**.

2. Event Mitigation Expenses

The Company will pay the **Insured** for all reasonable and necessary **Event Mitigation Expenses** resulting from a **Network Security Event** or **Privacy Event** first discovered by an **Insured** during the **Coverage Period** and reported to the Company in accordance with the terms of this endorsement. The most the Company will pay the **Insured** under this Event Mitigation Expenses Additional Coverage is the amount shown in Item B.2. of the Schedule per **Coverage Period**.

3. Public Relations Expenses

The Company will pay the **Insured** for all reasonable and necessary fees and expenses incurred by a **Public Relations Firm** in the performance of **Public Relations Services** for the **Insured** arising from a **Network Security Event** or **Privacy Event** first discovered by an **Insured** during the **Coverage Period** and reported to the Company in accordance with the terms of this endorsement. The most the Company will pay the **Insured** under this Public Relations Expenses Additional Coverage is the amount shown in Item B.3. of the Schedule per **Coverage Period**.

4. Regulatory Disclosure Expenses

The Company will pay the **Insured** for all reasonable and necessary fees and expenses the **Insured** incurs, with the Company's prior written consent, to retain a law firm to advise the **Insured** of any legal reporting requirement(s) and to prepare such disclosure and communicate any such disclosure to the proper authorities arising from a **Network Security Event** or **Privacy Event** first discovered by an **Insured** during the **Coverage Period** and reported to the Company in accordance with the terms of this endorsement. The most the Company will pay the **Insured** under this Regulatory Disclosure Expenses Additional Coverage is the amount shown in Item B.4. of the Schedule per Event.

5. Electronic Data Restoration Expenses

The Company will pay the **Insured** for all reasonable and necessary **Electronic Data Restoration Expenses** that are the direct result of a **Network Security Event** or **Privacy Event** first discovered by an **Insured** during the **Coverage Period** and reported to the Company in accordance with the terms of this endorsement and that directly results in an **Electronic Data Loss** caused by the:

1. **Malicious Encryption of Electronic Data; or**
2. **Corruption of Electronic Data;**

Provided such **Malicious Encryption** or **Corruption of Electronic Data** first occurred during the **Coverage Period** and is reported to the Company in accordance with the terms of this endorsement.

The most the Company will pay the **Insured** under this Electronic Data Restoration Expenses Additional Coverage is the amount shown in Item B.5. of the Schedule per Event.

III. Section IV. **EXCLUSIONS** is amended to include the following Paragraphs:

The exclusions of the policy apply to this Endorsement. However, the following additional exclusions apply solely to this endorsement and supersede any similar exclusions of the policy to the contrary:

The Company shall not be liable to pay **Damages** in connection with any **Claim** made against an **Insured**:

A. alleging, arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by an **Insured's** or **Information Holder's**:

1. past or present directors, officers, trustees, general or managing partners or principals (or the equivalent positions), whether acting alone or in collusion with other persons; or
2. past or present employees (other than those referenced in Subparagraph A.1. above) or independent contractors employed by an **Insured** or an **Information Holder** if any of those referenced in Subparagraph A.1. above knew or had reason to know of dishonest, fraudulent, criminal or malicious acts, errors or omissions, or any intentional or knowing violation of the law, by such employees or independent contractors prior to the act of such employee or independent contractor that resulted in a **Network Security Event** or **Privacy Event**,

provided, however, the Company will defend **Claims** that allege any of the foregoing conduct by such person, and that are not otherwise excluded, until there is a final judgment or final adjudication against such person or an adverse finding of fact against such person in a binding arbitration proceeding or plea of guilty or no contest by such person as to such conduct, at which time the **Insured** shall reimburse the Company for **Claims Expenses**.

B. alleging, arising out of, based upon or attributable to any of the following:

1. fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
2. strikes or similar labor action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions;
3. electrical or mechanical failures of infrastructure not under the control of an **Insured**, including any electrical power interruption, surge, brownout or blackout; provided, however, this exclusion shall not apply to a **Network Security Event** or a **Privacy Event** that is caused by such electrical or mechanical failure;
4. failure of telephone lines, data transmission lines or other telecommunications or networking infrastructure not under the control of an **Insured**; provided, however, this exclusion shall not apply to a **Network Security Event** or a **Privacy Event** that is caused by such failure of telephone lines, data transmission lines or other infrastructure comprising or supporting the Internet; or
5. the failure of any satellite to perform or function.

C. alleging, arising out of, based upon or attributable to any:

1. purchase, sale, or offer or solicitation of an offer to purchase or sell securities;
2. violation of any securities law, including the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any regulation promulgated under the foregoing statutes, or any federal, state or local laws similar to the foregoing statutes (including "Blue Sky" laws), whether such law is statutory, regulatory or common law; or
3. violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced And Corrupt Organizations Act, or "RICO"), as amended, or any regulation

promulgated hereunder or any federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law.

D. alleging, arising out of, based upon or attributable to antitrust, unfair competition, restraint of trade, including, without limitation, violations of any federal, state, local or foreign laws governing same, or that is brought by or on behalf of the Federal Trade Commission ("FTC") or any other federal, state or local government agency, or foreign government agency; provided, however, solely with respect to unfair competition, and notwithstanding SECTION II. EXCLUSIONS, Subparagraphs F.3. and F.4. of this Endorsement, this Paragraph D. shall not apply to any Claims Expenses arising out of a covered Event Regulatory Action.

E. brought by or on behalf of:

1. any Insured;
2. any business entity that is controlled, managed or operated, directly or indirectly, in whole or in part, by an Insured; or
3. any parent company, subsidiary, successor or assignee of an Insured, or any person or entity affiliated with an Insured or such business entity through common majority ownership or control;

provided, however, this exclusion shall not apply to any Claim brought by or on behalf of an Insured whose Confidential Information is the subject of an otherwise covered Network Security Event or Privacy Event. Notwithstanding the foregoing, there shall be no coverage of any counterclaims against such Insured; provided further, however, the coverage afforded by this Endorsement shall apply to Claims Expenses incurred in connection with any cross claim for contribution or indemnity that is part of an otherwise covered Claim and is brought by one Insured against another Insured.

F. for any of the following:

1. an Insured's expenses or charges, including employee compensation and benefits, overhead, over-charges or cost over-runs;
2. an Insured's cost of providing, correcting, re-performing or completing any services;
3. civil or criminal fines or penalties imposed by law against an Insured and any matters deemed uninsurable under the law pursuant to which this policy shall be construed; provided, however, this Sub-paragraph F.3. shall not apply to any monetary amounts an Insured is required by law or has agreed to by settlement to deposit into a consumer redress fund;
4. an Insured's costs and expenses of complying with any injunctive or other form of equitable relief;
5. the amounts for which an Insureds is not financially liable or which are without legal recourse to any Insured;
6. amounts an Insured agrees to pay pursuant to a contract, including without limitation, liquidated damages, setoffs or penalties.

G. alleging, arising out of, based upon or attributable to any obligation an Insured has under contract; provided, however, this exclusion shall not apply to:

1. the obligation to prevent a Network Security Event or a Privacy Event, including without limitation, whether same is in violation of an implied or statutory standard of care;

2. liability an **Insured** would have in the absence of such contract or agreement; or
 3. with respect to a **Network Security Event** or **Privacy Event**, any liability or obligation under a confidentiality or non-disclosure agreement.
- H. alleging, arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a **Computer System** by order of any governmental or public authority.
- I. for (1) the theft of money or securities from an **Insured**; or (2) the transfer or loss of money or securities from or to an **Insured's** accounts or accounts under an **Insured's** control, including customer accounts. For purposes of this Sub-paragraph I., the term "accounts" shall include, but are not limited to, deposit, credit, debit, prepaid and securities brokerage accounts.
- J. any expenses incurred as a result of regularly scheduled, recurring or routine regulatory examinations, inquiries or compliance activities.
- K. arising out of or resulting, directly or indirectly, from the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.
- L. arising out of or resulting, directly or indirectly, from the inability to use, or lack of performance of, a software program:
1. due to expiration, cancellation, or withdrawal of such software program;
 2. that has not yet been released from its developmental state; or
 3. that has not passed all test runs or has not proven successful in applicable daily operations.
- M. alleging, arising out of, based upon or attributable to the failure of the **Insured** to:
1. use, maintain and update at a minimum of every ninety (90) days, when necessary, anti-virus software, firewall software on all broadband or high-speed connections to the Internet and software security patches;
 2. to comply with all data security standards issued by credit card issuers or financial institutions with whom the insured transacts business, if the **Insured** processes, stores or handles credit card information; or
 3. to maintain any computer, **Computer System** or network, software or any other equipment, including any gradual deterioration, wear and tear, latent or time-delayed damage of such computer, **Computer System** or network, software or any other equipment.
- N. alleging, arising out of, based upon or attributable to any actual or alleged uploading, downloading, piracy or file-sharing of digitized media, music, photos, movies, software or video games.
- O. attributable to any costs or expenses for the reprinting, reposting, recall, removal or disposal of any online content or any other information, content or media, including any media or products containing such online content, information, content or media.
- P. attributable to any costs or expenses incurred by any **Insured** or others:
1. to recall, repair, withdraw, replace, upgrade, supplement or remove the **Insured's** online content, products or services from the marketplace, including but not limited to products or services which incorporate the **Insured's** online content, products or services;

2. for any loss of use by any **Insured** or others that arises out of such recall, repair, withdrawal, replacement, upgrade, supplementation or removal.

IV. Section II. **DEFINITIONS** is amended to include the following Paragraphs:

All Definitions of Section II. of the Policy apply to this Endorsement. However, the following additional definitions apply solely to this Endorsement and supersede the definitions of the same term(s) of the Policy to the contrary.

- A. **Computer System** means any computer hardware, software or any components thereof, under the ownership, operation or control of, or that are leased by, a **Named Insured** and that are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices.
- B. **Confidential Information** means any of the following in a **Named Insured's** or **Information Holder's** care, custody and control or for which an **Insured** or **Information Holder** is legally responsible:
 1. information from which an individual may be uniquely and reliably identified or contacted, including, without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories and passwords;
 2. information concerning an individual that would be considered "nonpublic personal information" within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1338) (as amended) and its implementing regulations;
 3. information concerning an individual that would be considered "protected health information" within Health Insurance Portability and Accountability Act of 1996 (as amended) and its implementing regulations;
 4. information used for authenticating customers for normal business transactions;
 5. any third party's trade secrets, data, designs, interpretations, forecasts, formulas, methods, practices, processes, records, reports or other item of information that is not available to the general public.
- C. **Corruption** means alteration, corruption, destruction, deletion or damage of **Electronic Data** as the direct result of a **Network Security Event**.
- D. **Electronic Data** means any software or electronic data stored electronically on a **Computer System**, including without limitation **Confidential Information**.
- E. **Electronic Data Loss** means:
 1. with respect to the **Corruption** of any **Electronic Data**, **Electronic Data Restoration Expenses**; and
 2. with respect to any **Electronic Data** that is rendered inaccessible or unreadable as a result of **Malicious Encryption**, the lesser of **Electronic Data Restoration Expenses** or the actual, necessary and reasonable costs and expense to regain access to such **Electronic Data** or render it readable;

provided, however, that if such **Electronic Data** cannot reasonably be accessed, restored, rendered readable, gathered, assembled or recollected, then **Electronic Data Loss** means the actual, reasonable and necessary costs and expenses incurred by the **Insured** to reach this determination.

Electronic Data Loss shall not mean, and there shall be no coverage for:

1. costs or expenses incurred by the **Insured** to identify or remediate software program errors or vulnerabilities or update, replace, restore, gather, assemble, reproduce, recollect or enhance **Electronic Data** to a level beyond that which existed prior to its **Corruption** or **Malicious Encryption**.
 2. costs or expenses to research or develop any **Electronic Data**, including but not limited to trade secrets or other proprietary information;
 3. the monetary value of, or profits, royalties, or lost market share related to, **Electronic Data**, including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of the **Electronic Data**;
 4. **Damages** arising out of any liability to third-parties for whatever reason;
 5. salaries of employees, directors or officers of the **Insured**; or
 6. legal costs or legal expenses of any type.
- F. **Electronic Data Restoration Expenses** shall mean the costs for retaining a third party service provider approved by the Company and with the Company's prior written consent to restore, recover or replicate **Electronic Data** in the care, custody or control of the **Insured** that is damaged or destroyed as a direct result of a **Network Security Event** or **Privacy Event**.
- G. **Event Mitigation Expense** means the following reasonable and necessary expenses and costs incurred by an **Insured** within one year of the **Network Security Event** or **Privacy Event** and is limited to:

1. Notification Costs

The reasonable and necessary costs incurred by an **Insured** with the prior written consent of the Company for:

- a. newspaper or other printed media, radio and television advertisements, or correspondence intended to inform or educate the general public, that refer to a **Network Security Event** or **Privacy Event** and advise any third party whose **Confidential Information** is the subject of such **Network Security Event** or **Privacy Event** of any available remedy; and
- b. correspondence or any other communication directed to any third party whose **Confidential Information** is the subject of a **Network Security Event** or **Privacy Event** for purposes of notifying them of the **Network Security Event** or **Privacy Event** and any available remedy.

2. Crisis Expenses

The reasonable and necessary charges and fees incurred by an **Insured** covered under this Endorsement, for the services of a forensic investigator or firm hired or appointed by the **Insured** with the prior written consent of the Company, retained solely for the purposes of determining the cause and extent of the **Network Security Event** or **Privacy Event** and the identities of those third parties whose **Confidential Information** is, or may have been, the subject of such **Network Security Event** or **Privacy Event**; or

3. Post Event Services Expenses

The reasonable fees and expenses incurred by an **Insured** with the prior written consent of the Company, for any service specifically approved by the Company in writing, including without limitation, identity theft education, credit file or identity protection to any third party whose **Confidential Information** is the subject of that **Network Security Event** or **Privacy Event** for the primary purpose of mitigating the effects of such **Network Security Event** or **Privacy Event**; provided however, that **Event Mitigation Expense** shall not include compensation, fees, benefits, overhead or internal charges of any **Insured**.

H. **Event Regulatory Action** means and is limited to:

1. an investigation of the **Insured** after written notice of such investigation is sent to the **Insured** by,
2. negotiation of a consent order against the **Insured** with, or
3. formal adversarial administrative proceeding against the **Insured** instituted by,

a United States or Canadian federal, state, provincial or territorial regulatory agency arising solely out of a **Network Security Event** or **Privacy Event** first discovered by an **Insured** during the **Coverage Period** and reported to the Company in accordance with the terms of this endorsement.

- I. **Event Regulatory Expenses** means reasonable attorneys' fees and expenses for legal services incurred by the **Insured** with the prior written consent of the Company, in the defense and investigation of an **Event Regulatory Action**, provided that employees of the **Insured** do not perform these services.

Event Regulatory Expenses shall not include any expense associated with the ongoing monitoring of or the costs of any regularly scheduled, recurring or routine regulatory examinations, inquiries or compliance activities, including implementing any changes required or consented to in order to comply with any such regulatory examinations or, inquiries or compliance activities.

- J. **Information Holder** means a third party that the **Insured** has provided **Confidential Information** to and with whom an **Insured** has entered into a contract that requires such party to protect such **Confidential Information**.

- K. **Internet** means the worldwide public network of computers which enables the transmission of Network data and includes intranets, extranets and virtual private networks.

- L. **Malicious Encryption** means the strong encryption of **Electronic Data** by a malicious programmer that renders such **Electronic Data** inaccessible or unreadable to the **Insured**.

M. **Network Security Event** means:

1. a failure or violation of the security of the **Insured's Computer System** including without limitation, that which results in or fails to mitigate any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code;
2. physical theft of hardware (or components thereof) controlled by the **Named Insured** on which **Electronic Data** is stored, by a person other than the **Insured**, from a premises occupied and controlled by the **Insured**;

3. violation of the security of the **Insured's Computer System** resulting from the theft of a password or access code from an **Insured's** premises, the **Computer System**, or an officer, director or employee of the Named Insured by non-electronic means in direct violation of an Named Insured's specific written security policies or procedures;
4. any misappropriation or misdirection of **Electronic Data** of third parties sent from the **Insured's Computer System** by the **Insured** (including metatags, website domains and names, and related cyber content);
5. unauthorized access to, destruction of, addition to, deletion of, or alteration of **Electronic Data** residing on a third party **Computer System** if caused by the **Insured** in rendering **Professional Services**;
6. unintentional introduction of a computer virus to a third party **Computer System** if caused by the **Insured** in rendering **Professional Services**;
7. failure to disclose an event in any Subparagraphs above in violation of any **Security Breach Notice Law**; or
8. a **Personal Injury Media Liability Event**.

All **Claims** resulting from the same, continuous, related or repeated event or which arise from the same, related or common nexus of facts will be deemed to arise out of one **Network Security Event**.

M. **Personal Injury Media Liability Event** means the wrongful publication, defamation, slander, or libel, product disparagement, trade libel or other tort related to disparagement or harm to the reputation or character or any person or organization resulting from the use of the **Insured's Computer System**.

N. **Privacy Event** means:

1. any failure to protect **Confidential Information** (whether by "phishing," other social engineering technique or otherwise) including, without limitation, that which results in an identity theft, other wrongful emulation of the identity of an individual or corporation; or fraudulent use of **Confidential Information**;
2. failure to disclose an event referenced in Sub-paragraph 1. above in violation of any **Security Breach Notice Law**; or
3. violation of any federal, state, foreign or local privacy statute alleged in connection with a **Claim** for compensatory damages, judgments, settlements, pre-judgment and post-judgment interest from Sub-paragraphs 1. or 2. above.

All **Claims** resulting from the same, continuous, related or repeated event or which arise from the same, related or common nexus of facts will be deemed to arise out of one **Privacy Event**.

O. **Public Relations Firm** means any public relations or crisis management firm engaged with the prior written consent of the Company.

P. **Public Relations Services** means those services performed by a **Public Relations Firm** to advise the **Insureds** on minimizing harm to the **Insured's** reputation or brand arising from a **Network Security Event** or **Privacy Event**.

Q. **Regulatory Disclosure Expenses** means the reasonable and necessary fees and expenses the **Insured** incurs with the Company's prior written consent to retain a law firm to advise the **Insured** of any legal reporting requirement(s), to prepare related disclosures and communicate

any such disclosure to the proper authorities arising from a **Network Security Event** or **Privacy Event** first discovered by an **Insured** during the **Coverage Period** and reported to the Company in accordance with the terms of this endorsement.

R. **Security Breach Notice Law** means any statute or regulation that requires an entity storing **Confidential Information** on its **Computer System**, or any entity that has provided **Confidential Information** to an **Information Holder**, to provide notice of any actual or potential unauthorized access by others to **Confidential Information** stored on such **Computer System**, including but not limited to, the statute known as California SB 1386 (§1798.82, *et. Al.* of the California Civil Code).

V. Section III. **LIMITS OF LIABILITY AND DEDUCTIBLE** is amended to include the following Paragraphs:

A. **NETWORK SECURITY AND PRIVACY PROTECTION AGGREGATE SUBLIMIT OF LIABILITY**

Subject to the Aggregate Limit of Liability shown in Item 3(b) of the Declarations of Coverage, and regardless of the number of **Insureds**, **Claims** made or suits brought, persons or organizations making **Claims** or bringing suits, **Network Security Events**, or **Privacy Events**, the most the Company will pay for all covered **Claims** under this Endorsement is the Network Security and Privacy Protection Aggregate Sublimit of Liability shown in Item A.1. of the Schedule. This Network Security and Privacy Protection Aggregate Sublimit of Liability is the total for all **Damages** that the Company will pay under this endorsement for all covered **Claims** arising out of **Network Security Events** and/or **Privacy Events** first made against the **Insured** and reported to the Company during the **Coverage Period**.

Once the Aggregate Sublimit of Liability has been exhausted by the payment of **Damages**, the Company shall have no further obligations with respect to **Claims** arising out of **Network Security Events** and/or **Privacy Events** first made against the **Insured** during the **Coverage Period**.

B. **NETWORK SECURITY AND PRIVACY PROTECTION - EACH CLAIM LIMIT OF LIABILITY**

Subject to the Network Security and Privacy Protection Aggregate Sublimit of Liability shown in Paragraph A. of this Endorsement above, the most the Company will pay for all **Damages** arising out of a single covered **Claim** under this Endorsement shall be the Network Security and Privacy Protection Each Claim Limit of Liability shown in Item A.2. of the Schedule. This Network Security and Privacy Protection Each Claim Limit of Liability shall apply in excess of the Deductible shown in Item 3. of the Schedule. This Network Security and Privacy Protection Each Claim Limit of Liability is the maximum amount of **Damages** that the Company will pay for each covered **Claim** arising out of a **Network Security Event** or a **Privacy Event** first made against the **Insured** and reported to the Company during the **Coverage Period**.

Once the Network Security and Privacy Protection Each Claim Limit of Liability has been exhausted by the payment of **Damages**, the Company shall have no further obligations with respect to such **Claim** arising out of a **Network Security Events** or a **Privacy Event**.

VI. Section V. **CONDITIONS** is amended to include the following Paragraph:

INSURED'S DUTIES WHEN THERE IS A CLAIM ARISING OUT OF A NETWORK SECURITY EVENT OR A PRIVACY EVENT

As a condition precedent to the right of coverage under this endorsement, the Named Insured must do the following:

A. The Named Insured shall notify the Company in writing as soon as practicable, but no later than sixty (60) days after an **Insured** first discovers the **Network Security Event** or **Privacy Event** which may result in a **Claim**. Notice must include:

4. How, when, and where the **Network Security Event** or **Privacy Event** took place;
 2. The number of individuals and types of **Confidential Information** involved in the **Network Security Event** or **Privacy Event**; and
 3. Upon the Company's request, the names and addresses of individuals affected by the **Network Security Event** or **Privacy Event**.
- B. If a **Claim** is made against an **Insured**, the **Named Insured** must:
1. Immediately record the specifics of the **Claim** and the date received; and
 2. Notify the Company as soon as practicable.

The **Named Insured** must see to it that the Company receives written notice of the **Claim** as soon as practicable.

- C. If an **Insured** has incurred any **Event Mitigation Expense**, **Public Relations Expenses**, **Regulatory Disclosure Expenses** or **Electronic Data Restoration Expenses** arising from a **Network Security Event** or **Privacy Event** reported in accordance with Paragraph A above, the **Named Insured** must notify the Company of all such expenses as soon as practicable after such **Network Security Event** or **Privacy Event** is reported to the Company.
- D. In the event of an **Event Regulatory Action**, the **Insured** shall notify the Company whether the **Insured** has any other insurance policy, prepaid legal service contract or legal practitioner retainer agreement available to him/her with respect to such **Event Regulatory Action**. The **Insured** shall also:
1. Send to the Company, as soon as practicable, copies of any notices, complaints or other legal papers received in connection with any **Event Regulatory Action**;
 2. Authorize the Company to obtain records and other information; and
 3. Furnish the Company, upon its request, with records and other information and submit to an interview by the Company or its representative concerning the full extent of their knowledge of the events leading to the **Event Regulatory Action**. The Company shall also be entitled to immediately receive upon request copies of any regulatory agency correspondence the **Insured** received relating to such **Event Regulatory Action**, including without limitation any correspondence which may have predated the date of application for coverage under this endorsement.
- E. The **Insured** shall take reasonable steps to prevent a **Network Security Event** or **Privacy Event** and to mitigate the damages and expenses arising out of a **Network Security Event** or **Privacy Event**. In all events, no **Insured** shall take any action, or fail to take any action, without the prior written consent of the Company, which prejudices the Company's rights under this endorsement.
- F. The **Named Insured** and any other involved **Insured** must:
1. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the **Claim**;
 2. Authorize the Company to obtain records and other information;
 3. Cooperate with the Company in the investigation or settlement of the **Claim** or defense against a suit; and

- 4. Assist the Company, upon our request, in the enforcement of any right against any person or organization which may be liable to the **Insured** because of a **Network Security Event** or **Privacy Event** to which this insurance may also apply.

- G. No **Insured** will, except at that **Insured's** own cost, voluntarily make a payment, assume any obligation, or incur any expense, except in accordance with the Additional Coverages of this Policy, without our consent.

All other terms and conditions of the policy remain the same.

Authorized Representative

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.:

**RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION
IN VIOLATION OF LAW EXCLUSION ENDORSEMENT**

The following exclusion is added to the Policy:

Recording And Distribution Of Material Or Information In Violation Of Law

Any liability arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (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;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

All other terms and conditions of the policy remain the same.

Authorized Representative

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ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.:

**RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION
IN VIOLATION OF LAW EXCLUSION ENDORSEMENT
OKLAHOMA**

This endorsement modifies insurance provided under the following:

INSURANCE AGENTS AND BROKERS ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY

The following exclusion is added to the Policy:

Recording And Distribution Of Material Or Information In Violation Of Law

Any liability arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (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;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

All other terms and conditions of the policy remain the same.

Authorized Representative

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POLICYHOLDER NOTICE

Taxes, Assessments and/or Surcharges

The taxes, assessments and/or surcharges shown on the declarations page or any premium schedule are collected on behalf of the applicable State(s) and in accordance with such State's laws and regulations. The payment of these taxes, assessments and/or surcharges is the responsibility of the Named Insured. In the event the applicable State implements a new tax, assessment and/or surcharge or increases such tax, assessment and/or surcharge during the term of this policy, the Named Insured shall remain responsible for the payment of all amounts due under the policy, including those newly implemented or increased taxes, assessments and/or surcharges.

Any newly implemented or increased taxes, assessments and/or surcharges shall apply on the effective date dictated by the applicable State regardless:

1. Of when the Insurance Company implements the new or increased tax, assessment or surcharge into its systems; or
2. If the Insurance Company recalculates the Named Insured's premium in accordance with the policy's terms and conditions as part of a premium audit after the end of the policy period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT #

This endorsement, effective 12:01 A.M. forms a part of Policy

No. issued to by

ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

AUTHORIZED REPRESENTATIVE

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at aig.com/producer-compensation or by calling 1-800-706-3102.

ADDENDUM TO THE DECLARATIONS

By signing below, the President and the Secretary of the Insurer agree on behalf of the Insurer to all the terms of this Policy.



Jeremy D. Edgecliff-Johnson
PRESIDENT



Tanya Kent
SECRETARY

This policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either below or on the Declarations page of the policy.



Ethan D. Allen
AUTHORIZED COMPANY REPRESENTATIVE

ENDORSEMENT

This endorsement, effective _____ at _____

forms part of _____

Policy no.: _____ issued to: _____

By: _____

ARKANSAS AMENDATORY ENDORSEMENT
(Professional Liability, including Medical Malpractice)

Wherever used in this endorsement: 1) "Insurer" means the insurance company which issued this policy; and 2) "First Named Insured" and "Insured" mean the Named Corporation, Named Organization, Named Entity, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "Other Insured(s)" means all other persons or entities afforded coverage under the policy.

The following is added and supercedes any provision to the contrary:

A. CANCELLATION

If this policy has been in effect for more than sixty (60) days or is a renewal policy, the Insurer shall not cancel this policy unless such cancellation is based upon at least one (1) of the following reasons:

- (a) Nonpayment of premium;
- (b) Fraud or material misrepresentation made by or with the knowledge of the Insured or Other Insured(s) in obtaining the policy, continuing the policy or in presenting a claim under the policy;
- (c) The occurrence of material change in the risk which substantially increases any hazard insured against after policy issuance;
- (d) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against under the policy;
- (e) Nonpayment of membership dues in those cases where the by-laws, agreements or other legal instruments of the Insurer issuing the policy require payment thereof as a condition of the issuance and maintenance of the policy; or
- (f) A material violation of a material provision of the policy.

The Insurer may cancel this policy by mailing or delivering written notice stating the reason for cancellation to the First Named Insured and any lienholder or loss payee named in the policy at least:

- a. Ten (10) days before the effective date of cancellation if cancellation is due to nonpayment of premium.
- b. Twenty (20) days before the effective date of cancellation if cancellation is due to any other reason.

If cancellation is due to nonpayment of premium, notice should state the reason for cancellation.

B. NONRENEWAL

If the Insurer decides not to renew the policy, the Insurer shall mail written notice to the First Named Insured shown in the Declarations at least sixty (60) days before:

- (a) its expiration date; or
- (b) its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, the Insurer is not required to send this notice if nonrenewal is due to the Insured's failure to pay any premium required for renewal.

The Insurer will mail its notice to the First Named Insured's last known mailing address. If notice is mailed, proof of mailing will be sufficient proof of notice.

C. NOTICE OF PREMIUM INCREASE

If the Insurer decides to increase current premium by twenty five percent (25%) or more upon renewal, the insurer shall notify the First Named Insured and agent prior to the effective date of the renewal.

Notice must be mailed or delivered to the First Named Insured's agent not less than sixty (60) days prior to the effective date of the renewal and to the First Named Insured not less than thirty (30) days prior to the effective date of renewal.

If notice is not given in the manner provided above, the Insurer shall extend the existing policy sixty (60) days from the date that such notice is mailed or delivered. The premium for the extended policy may not be more than the pro rata premium of the existing policy.

All other terms, conditions and exclusions remain unchanged.

AUTHORIZED REPRESENTATIVE

ARKANSAS CONSUMER COMPLAINT NOTIFICATION

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

AIG
Consumer Complaints Division
80 Pine Street, 13th Floor
New York, NY 10005
Phone: 1-877-541-9748
Fax: 844-637-6862
consumer@aig.com

Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201

(800) 852-5494 (toll free)
(501) 371-2640

ILLINOIS CONSUMER COMPLAINT NOTIFICATION

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

AIG
Consumer Complaints Division
80 Pine Street, 13th Floor
New York, NY 10005
Phone: 1-877-541-9748
Fax: 844-637-6862
consumer@aig.com

Illinois Department of Insurance (2 locations)

Consumer Division
320 W. Washington Street
Springfield, IL 62767

Consumer Division
122 S. Michigan Ave., 19th Floor
Chicago, IL 60603

(866) 445-5364 (toll free)
(217) 558-2083 (fax) (Springfield)
(217) 782-4515 (Tel.) (Springfield)
(312) 814-2420 (Tel.) (Chicago)
[http:// insurance.illinois.gov/
consumer_complaints@ins.state.il.us](http://insurance.illinois.gov/consumer_complaints@ins.state.il.us)

INDIANA AMENDATORY ENDORSEMENT

This endorsement, effective _____ forms part of

policy no.: _____ issued to

by:

Wherever used in this endorsement: 1) "we", "us", "our", and "Insurer" mean the insurance company which issued this policy; and 2) "you", "your", "named Insured", "First Named Insured", and "Insured" mean the Named Corporation, Named Organization, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "Other Insured(s)" means all other persons or entities afforded coverage under the policy.

In consideration of the premium charged, the cancellation provision of the policy is amended as follows:

CANCELLATION AND NONRENEWAL

- A. The Insurer may cancel a policy of insurance that has been in effect ninety (90) days or less by providing a written notice of cancellation to a person insured under the policy at least:
- (1) ten (10) days before cancelling if the Insured has failed to pay a premium;
 - (2) twenty (20) days before cancelling if the Insured or Other Insured (s) have perpetrated fraud or material misrepresentation upon the Insurer; or
 - (3) thirty (30) days before cancelling for any other reason.
- B. The Insurer may not cancel a policy of insurance that has been in effect more than ninety (90) days that the Insurer has written unless:
- (1) the Insured under the policy has failed to pay the premium;
 - (2) there is a substantial change in the scale of risk covered by the policy;
 - (3) the Insured or Other Insured(s) has perpetrated a fraud or material misrepresentation upon the Insurer;
 - (4) the Insured or Other Insured(s) has failed to comply with reasonable safety recommendations; or
 - (5) reinsurance of the risk associated with the policy has been cancelled.
- C. The Insurer shall provide a written notice of cancellation to a person insured under a policy issued by the Insurer that has been in effect more than ninety (90) days at least:
- (1) forty-five (45) days before cancelling the policy for any reason set forth in B(2),(4), or (5) above;
 - (2) thirty (30) days before cancelling a medical malpractice policy for any reason set forth in B(1) - (5) above;
 - (3) twenty (20) days before cancelling the policy for the reason set forth in B(3) above;
 - (4) ten (10) days before cancelling the policy for the reason set forth in B(1) above.

D. If the Insurer refuses to renew a policy of insurance written by the Insurer, the Insurer shall provide written notice of nonrenewal to the Insured:

- (1) at least forty-five (45) days before the expiration date of the policy, if the coverage provided is for one (1) year, or less; or
- (2) at least forty-five (45) days before the anniversary date of the policy, if the coverage provided is for more than one (1) year.

All other provisions of this policy remain the same.

AUTHORIZED REPRESENTATIVE

IOWA
AMENDATORY ENDORSEMENT

This endorsement, effective _____ forms part of

policy no.: _____ issued to

by:

Wherever used in this endorsement: 1) "we", "us", "our", and "Insurer" mean the insurance company which issued this policy; and 2) "you", "your", "named Insured", "First Named Insured", and "Insured" mean the Named Corporation, Named Organization, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "Other Insured(s)" means all other persons or entities afforded coverage under the policy.

CANCELLATION AND NONRENEWAL

- A. The cancellation policy condition is replaced by the following:
1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to the Insurer advance written notice of cancellation.
 - 2a. The Insurer may cancel this policy by mailing or delivering to the First Named Insured and any loss payee, written notice of cancellation at least:
 - (1) 30 days before the effective date of cancellation if the Insurer cancels due to loss of reinsurance coverage; or
 - (2) 10 days before the effective date of cancellation if the Insurer cancels for any other reason.
 - 2b. If this policy is a new policy and has been in effect for less than 60 days, the Insurer may cancel for:
 - (1) loss of reinsurance subject to 2d. below; or
 - (2) any other reason.
 - 2c. If this policy has been in effect for 60 days or more, or is a renewal of a policy the Insurer issued, the Insurer may cancel only for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Misrepresentation or fraud made by or with the knowledge of the First Named Insured or Other Insured(s) in obtaining the policy, when renewing the policy, or in presenting a claim under the policy;
 - (3) Acts or omissions by the First Named Insured or Other Insured(s) that substantially change or increase the risk insured;
 - (4) Determination by the commissioner that the continuation of the policy would jeopardize the Insurer's solvency or would place the Insurer in violation of the laws of this or any other state;
 - (5) The First Named Insured or Other Insured(s) has acted in a manner which he or she knew or should have known was in violation or breach of a policy term or condition; or

(6) Loss of reinsurance, subject to 2d. below.

- 2d. The Insurer may cancel due to loss of reinsurance which provides coverage to the Insurer for a significant portion of the underlying risk insured, but only if the commissioner determines that such cancellation is justified.
3. The Insurer will mail or deliver the notice of cancellation to the First Named Insured's and any loss payee's last mailing address known to the Insurer.
4. Notice of cancellation will state:
 - (1) The reason for cancellation; and
 - (2) The effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, the Insurer will send the First Named Insured any premium refund due. If the Insurer cancels, the refund will be pro rata. If the First Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Insurer has not made or offered a refund.
6. If notice is mailed, a post office department certificate of mailing is proof of receipt of notice. However, if cancellation is for nonpayment of premium, a certificate of mailing is not required.

B. The following is added and supersedes any other provision to the contrary:

NONRENEWAL

1. If the Insurer decides not to renew this policy, the Insurer will mail or deliver written notice of nonrenewal to the First Named Insured and any loss payee at least 45 days before the expiration date of this policy, except if:
 - a. The Insurer has offered to issue a renewal policy; or
 - b. The First Named Insured has failed to pay a premium due to any advance premium required for renewal.
2. If notice is mailed, a post office department certificate of mailing is proof of receipt of notice.

All other terms, conditions and exclusions remain unchanged.

AUTHORIZED REPRESENTATIVE

MONTANA
AMENDATORY ENDORSEMENT

This endorsement, effective _____ forms a part of
policy no.: _____ issued to _____
by: _____

Wherever used in this endorsement: 1) "Insurer" mean the insurance company which issued this policy; and 2) "named Insured", "First Named Insured", and "Insured" mean the Named Corporation, Named Organization, Named Entity, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "Other Insured(s)" means all other persons or entities afforded coverage under the policy.

The following is added and supercedes any provision to the contrary:

This policy may be cancelled by the Insurer within sixty (60) days after the effective date of the policy without cause. Written notice shall be by first class mail or delivered to the Insured stating when, not less than ten (10) days after mailing or delivery, cancellation shall be effective. This section shall not apply to any renewal policy issued by the Insurer to the Insured.

After this policy has been in effect for sixty (60) days or more, the Insurer shall not cancel the policy prior to the expiration of the agreed term or one year from the effective date of the policy or renewal, whichever is less, except for one or more of the following reasons:

1. For reasons specifically allowed by statute;
2. Failure to pay a premium when due;
3. On grounds stated in the policy which pertain to the following:
 - (a) Material misrepresentation;
 - (b) Substantial change in the risk assumed, except to the extent that the Insurer should reasonably have foreseen the change or contemplated the risk when the contract was written;
 - (c) Substantial breaches of contractual duties, conditions or warranties;
 - (d) Determination by the Commissioner that continuation of the policy would place the Insurer in violation of this code;
 - (e) Financial impairment of the Insurer; or
 - (f) Any other reason approved by the Commissioner.

Written notice shall be by first class mail or delivered to the Insured stating when, not less than ten (10) days after the mailing or delivery, cancellation shall be effective.

A policy issued for a term longer than 1 year or for an indefinite term may be cancelled by the Insurer if notice of cancellation is issued 45 days prior to the anniversary date of the policy.

The Insurer shall mail or deliver at least forty-five (45) days prior to the expiration date provided in the policy, notice to the Insured that the Insurer does not intend to renew the policy beyond the expiration date.

The Insurer will give notice of premium due by the Insured not more than sixty (60) days or less than thirty (30) days before the due date of a renewal premium. This notice will clearly state the effect of nonpayment of premium on or before the due date.

These nonrenewal provisions do not apply if:

- (a) the Insured has obtained insurance elsewhere, has accepted replacement coverage, or has requested or agreed to nonrenewal; or
- (b) the policy is expressly designated as nonrenewable.

All other terms, conditions and exclusions of this policy not inconsistent with the terms of this Endorsement shall remain the same.

AUTHORIZED REPRESENTATIVE

This Endorsement, effective at 12:01 A.M. forms a part of

Policy Number:

Issued to:

By:

MONTANA AMENDATORY ENDORSEMENT

CONFORMITY WITH MONTANA STATUTES

In consideration of the premium charged, it is hereby agreed that this policy is amended by the addition of the following provision:

CONFORMITY WITH MONTANA STATUTES

The provisions of this policy conform to the minimum requirements of Montana law and control over any conflicting statutes of any state in which the Insured resides on or after the effective date of this policy.

All other terms, conditions and exclusions shall remain the same.

Authorized Representative

NEBRASKA
AMENDATORY ENDORSEMENT

This endorsement, effective _____ forms a part of

policy no.: _____ issued to

by:

Wherever used in this endorsement: 1) "we", "us", "our", and "Insurer" mean the insurance company which issued this policy; and 2) "you", "your", "named Insured", "First Named Insured", and "Insured" mean the Named Corporation, Named Organization, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "Other Insured(s)" means all other persons or entities afforded coverage under the policy.

CANCELLATION

In consideration of the premium charged, it is hereby understood and agreed that the cancellation and non-renewal provision of this policy is replaced by the following.

- (1) The Insurer shall give the Insured sixty (60) days written notice prior to cancellation or nonrenewal of this policy, except the Insurer may cancel upon ten (10) days written notice to the Insured for nonpayment of premium. Such notice shall state the reason for cancellation or nonrenewal. These provisions shall not apply to nonrenewal of a policy which has a specified term of sixty (60) days or less, unless the policy has been previously renewed.
- (2) Notwithstanding Section (1), this policy may not be canceled by the Insurer if it has been in effect for sixty (60) days or is a renewal policy, except for one of the following reasons:
 - (a) Nonpayment of premium;
 - (b) The policy was obtained through a material misrepresentation;
 - (c) The Insured or Other Insured(s) has submitted a fraudulent claim;
 - (d) The Insured or Other Insured(s) has violated any of the terms and conditions of the policy;
 - (e) The risk originally accepted has substantially increased;
 - (f) Certification to the Director of Insurance of loss of reinsurance by the Insurer which provided coverage to the Insurer for all or a substantial part of the underlying risk insured; or
 - (g) The determination by the Director that the continuation of the policy could place the Insurer in violation of the insurance laws of the state.
- (3) Notice of cancellation or nonrenewal shall be directed to the Insured's last known mailing address. Notice shall be effected by registered, certified, or first class mail. If sent by first class mail, a U.S. postal service certificate of mailing shall be sufficient proof of receipt of notice on the third calendar day after the date of the certificate.

All other terms, conditions and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE

PENNSYLVANIA AMENDATORY ENDORSEMENT

This endorsement, effective _____ forms a part of

Policy no. _____ issued to _____

By: _____

Wherever used in this endorsement: 1) "Insurer" means the insurance company which issued this policy; and 2) "named Insured" and "Insured" mean the Named Corporation, Named Entity, Named Organization, Named Sponsor, Named Insured, or Insured stated in the declarations page.

The following is added and supercedes any provision to the contrary:

Cancellation/Nonrenewal

Canceling a policy midterm is prohibited except if:

- 1) A condition material to insurability has changed substantially;
- 2) Loss of reinsurance or a substantial decrease in reinsurance has occurred;
- 3) Material misrepresentation by the Insured;
- 4) Policy was obtained through fraud;
- 5) The Insured has failed to pay a premium when due;
- 6) The Insured has requested cancellation;
- 7) Material failure to comply with terms;
- 8) Other reasons that the commissioner may approve.

Notice Requirements for Midterm Cancellation and Nonrenewal

Notice shall be mailed by registered or first class mail by the Insurer directly to the named Insured. Written notice will be forwarded directly to the named Insured at least sixty (60) days in advance of the termination date unless one or more of the following exists:

- 1) The Insured has made a material misrepresentation which affects the insurability of the risk, in which case the prescribed written notice of cancellation shall be forwarded directly to the named Insured at least fifteen (15) days in advance of the effective date of termination.
- 2) The Insured has failed to pay a premium when due, whether the premium is payable directly to the Insurer or its agents or indirectly under a premium

finance plan or extension of credit, in which case the prescribed written notice of cancellation shall be forwarded directly to the named insured at least fifteen (15) days in advance of the effective date of termination.

- 3) The policy was cancelled by the named Insured, in which case written notice of cancellation shall not be required and coverage shall be terminated on the date requested by the Insured. Nothing in these three sections shall restrict the Insurer's right to rescind an insurance policy ab initio upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by the Insurer.

The notice shall be clearly labeled "Notice of Cancellation" or "Notice of Nonrenewal". A midterm cancellation or nonrenewal notice shall state the specific reasons for the cancellation or nonrenewal. The reasons shall identify the condition or loss experience which caused the midterm cancellation or nonrenewal. The notice shall provide sufficient information or data for the Insured to correct the deficiency.

A midterm cancellation or nonrenewal notice shall state that, at the Insured's request, the Insurer shall provide loss information to the Insured for at least three years or the period of time during which the Insurer has provided coverage to the Insured, whichever is less. Loss information on the Insured shall consist of the following:

- 1) Information on closed claims, including date and description of occurrence, and amount of payments, if any;
- 2) Information on open claims, including date and description of occurrence, amount of payment, if any, and amount of reserves, if any;
- 3) Information on notices of occurrence, including date and description of occurrence and amount of reserves, if any.

The Insured's written request for loss information must be made within ten (10) days of the Insured's receipt of the midterm cancellation or nonrenewal notice. The Insurer shall have thirty (30) days from the date of receipt of the Insured's written request to provide the requested information.

Notice of Increase in Premium

The Insurer shall provide not less than thirty (30) days notice to the Insured of an increase in renewal premium. The notice of renewal premium increase will be mailed or delivered to the Insured's last known address. If notice is mailed, it will be by registered or first class mail.

Return of Unearned Premium

Cancellation Initiated By Insurer - Unearned premium must be returned to the Insured not later than ten (10) business days after the effective date of termination.

Cancellation Initiated by Insured - Unearned premium must be returned to the Insured not later than thirty (30) days after the effective date of termination.

All other terms, conditions and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE

PROVISIONS OF PAYMENT PLAN

PROMISE TO MAKE PAYMENTS **SERVICER** shall make payments for the premium payments collected, and as such, insured shall promise to pay the necessary down payments and monthly payments as agreed to including all fees assessed as part of the payment plan. All fees will be fully earned. In addition, insured shall promise to pay Kevin Dahlke Insurance Brokerage (“SERVICER”) any and all payments set forth within this agreement.

POWER OF ATTORNEY Insured shall agree to appoint **SERVICER** as its attorney-in-fact. This appointment shall be irrevocable. This appointment shall be made in the event of a default as defined herein.

RIGHT TO CANCEL If insured fails to make a payment by its issued due date, or if insured is in default set forth by any provision in this contract, **SERVICER** may cancel said policy and act on its own behalf with regard to this policy. This will include endorsing any written instrument in the insured's name as funds assigned to **SERVICER** as security, and as such will in effect act as power of attorney. As required by law, **SERVICER** must provide written notice to the insured before it cancels the policy. Insured agrees that this right to cancel the policy shall be irrevocable. This irrevocable power of attorney shall include giving **SERVICER** full power of substitution, authority to cancel policies in event of default, receipt and collection of all unearned premiums, which are the result of said cancellation, and execute and serve on behalf of the insured any written document in the furtherance of this contract. Also insured agrees that **SERVICER** shall retain the right to cancel by which can only be terminated after all of the insured's indebtedness has been paid in full to the satisfaction of **SERVICER**.

DEFAULT Insured shall be in default by terms under this contract when and if: 1. A payment is not received by **SERVICER** upon proper due date. 2. Insured fails to fully comply with all terms set forth under this contract. 3. Insured, or any of its insurance companies, become involved with Bankruptcy proceedings against them, or if they become financially insolvent. 4. If premiums are increased as set forth within any of the policies of this agreement, and insured fails to pay these increases within a time period of thirty days of written notice from **SERVICER**. 5. Or if insured should default on any other provision under this contract with **SERVICER**. The term default shall mean any one of, but not limited to, any one of the terms listed above. In the event of a default on part of insured, **SERVICER** shall no longer be under any further obligation to provide services to and on behalf of insured. **SERVICER** shall retain the right to pursue any remedy it feels necessary in the event of default.

ATTORNEY COST In the event **SERVICER** has to retain services of an attorney(s), for the collection of unpaid balances, or any other legal matter concerning **SERVICER** and insured, insured agrees and shall pay any and all reasonable costs as allowed under state law.

FINANCIALLY SOLVENT It is the duty of the insured to make actual and proper representations that the insured is not insolvent nor is currently subject to any insolvency proceedings.

RIGHT TO DEMAND PAYMENT IN FULL In the event of default, **SERVICER** shall retain the right to accelerate demand an immediate payment in full equal to the total amount due under the agreement. This right shall also be included in the event **SERVICER** has not received any part of the unearned premium.

INSUFFICIENT FUNDS In the event any transaction is returned, or not honored, for any reason, including insufficient funds (NSF), insured shall be charged \$25.00 or the maximum allowed per state law, whichever is applicable.

DELINQUENT INSTALLMENTS In the event that we are unable to collect an installment due, when the payment draft is returned unpaid, the insured will receive a notice of intent to cancel by email on the same day. If the payment due still has not been collected within 5 days of the notice of intent to cancel being issued, a notice of cancellation will be issued to all parties involved in the transaction effective the 1st day of the next coverage period month following the last payment successfully made as controlled by your policy effective date.

LATE PAYMENT PENALTIES In the event that we are unable to collect an installment due within ten (10) days of the payment due date a late payment charge of \$25 is assessable in addition to all other premium, returned payment fees, tax and fee payments due.

INSTALLMENTS RECEIVED AFTER CANCELLATION NOTICE SENT Upon issuance of a notice of cancellation to any interested party, SERVICER has no longer any duty to rescind the policy or request for the policy to be reinstated. This will be upheld even in the event SERVICER receives payment from insured at a later date beyond the due date.

LIABILITY Insured shall agree that SERVICER is not acting as an insurance agent, broker, or carrier, and as such, shall have no liability to that effect, SERVICER, nor its assignees, shall not be liable for any damage or loss suffered on part of insured by the acts or omissions of the insurance companies in implementing any provision of the policies of this contract. In addition, insured agrees that its insurance agent, broker, or carrier is insured's producer and not that of SERVICER and therefore, has no authority or power to enter into agreements or contracts on behalf of SERVICER.

CONFLICT OF LAWS Insured and SERVICER shall agree that in the event any portion of this agreement is contrary to applicable law, said provision(s) shall be deemed invalid and ineffective without invalidating the remaining provisions under the contract.

CORRECTIONS OR ASSIGNMENTS unless prohibited by applicable law, SERVICER retains the right to insert policy number, insurer's name, and installment dates if they are not known or have been omitted at the time insured signs agreement, or has it signed on its behalf. Insured shall retain the right to add or assign additional mortgages and/or parties as loss payees without consent of SERVICER. However, consent from SERVICER is required in the event insured elects to assign any policy or portion thereof. SERVICER shall retain the right to transfer any and all rights under this contract to any other party without consent from insured. In addition, insured shall assign to SERVICER as security for the complete amounts payable as set forth within said contract. This shall include any and all unearned premiums, refunds, and loss payments which may be payable as listed in the Schedule of Policies.

AUDIT AND REPORTING FORM CONTRACTS Any portion of this contract which may be of reporting type or is auditable, insured shall agree to pay the insurance company the difference between earned premium produced for the policy and those premiums financed in the contract.

SIGNATURE By selecting the "agree to" box, the insured is in full agreement to the terms of the payment plan and hereby authorizes the SERVICER to implement this plan based on the provisions in the agreement. In the event that insured is a corporation, the signature is from a person who is a recognized officer of that corporation, and has authority to sign said contract. In the event insured is not a corporation, all of the insured appearing on the contract have signed said contract. Said contract shall become a legal binding contract upon SERVICER's email confirmation to the insured.