

**ANALYTICAL/CONSULTING and VALUATION/APPRaisal SERVICES
PROFESSIONAL LIABILITY INSURANCE POLICY**

This is a claims-made and reported Policy. Unless stated otherwise, coverage afforded under this Insurance is limited to CLAIMS that:

- (a) are first made against the INSURED during the POLICY PERIOD and reported in writing to Underwriters at the earliest opportunity during the POLICY PERIOD and;
- (b) arise from negligent acts, errors or omissions committed or alleged to have been committed in rendering PROFESSIONAL SERVICES on or after the RETROACTIVE DATE stated in Item 6 of the Declarations.

The Limit of Liability available to pay DAMAGES shall be reduced and may be completely exhausted by the payment of CLAIMS EXPENSES. DAMAGES and CLAIMS EXPENSES shall be applied against the Self- Insured Retention.

Please review this Policy carefully with your insurance agent, broker or representative.

INSURING AGREEMENTS

Underwriters, in consideration of the payment of the premium, and the INSURED undertaking to promptly pay the Self-Insured Retention as described in Item 4 of the Declarations, and in reliance upon the statements and representations in the Application, and any supplemental materials submitted therewith which are to be considered as incorporated herewith as part of this Policy, and subject to all the terms and conditions of this Policy, agree with the INSURED as follows:

I. COVERAGE - PROFESSIONAL LIABILITY

To pay on behalf of the INSURED those sums which the INSURED shall become legally obligated to pay as DAMAGES by reason of a CLAIM first made against the INSURED during the POLICY PERIOD and reported in writing to Underwriters during the POLICY PERIOD arising out of any negligent act, error or omission in rendering or failure to render PROFESSIONAL SERVICES by the INSURED except as excluded or limited by the terms, conditions and exclusions of the Policy.

Supplementary Coverage for Disciplinary Proceedings Against the Insured

To pay on behalf of the INSURED, the reasonable attorneys' fees, costs and expenses incurred by the INSURED responding to any proceeding by a regulatory or disciplinary official or agency to investigate charges made by a client or former client alleging professional misconduct in rendering or failing to render PROFESSIONAL SERVICES.

It is a condition precedent to Underwriters' obligations under this section that:

- (a) the alleged negligent act, error or omission in the performance of PROFESSIONAL SERVICES for others occurred on or after the RETROACTIVE DATE, if any; and
- (b) the INSURED must report the alleged negligent act, error or omission to Underwriters during the POLICY PERIOD.

The maximum amount payable under this coverage, regardless of the number of proceedings or the number of INSUREDS, shall be USD10,000 per POLICY PERIOD. The Self-Insured Retention shall not apply to this provision; however, any payments made by Underwriters under this provision will reduce the aggregate limit of liability as set forth in Item 3(b) of the Declarations. Underwriters shall not be obligated to pay any fine, penalty or award resulting from any disciplinary proceeding against an INSURED.

II. DEFENCE AND SETTLEMENT

- (a) Underwriters shall have the right and duty to defend, subject to the Limit of Liability, a CLAIM against the INSURED seeking DAMAGES which are payable under the terms of this Policy, even if any of the allegations of the CLAIM are groundless, false or fraudulent.
- (b) It is agreed that the Limit of Liability available to pay DAMAGES shall be reduced and may be completely exhausted by payment of CLAIMS EXPENSES. DAMAGES and CLAIMS EXPENSES shall be applied against the Self-Insured Retention.
- (c) Underwriters shall have the right to make any investigation they deem necessary with respect to coverage, including, without limitation, any investigation with respect to the Application, statements made in the Application and any supplemental materials submitted therewith. The INSURED shall submit for examination by a representative of Underwriters, under oath if requested, in connection with all matters relating to this Policy.
- (d) If the NAMED INSURED shall refuse to consent to any settlement or compromise recommended by Underwriters and acceptable to the claimant and elects to contest the CLAIM, Underwriters' liability for any DAMAGES and CLAIMS EXPENSES shall not exceed the amount for which the CLAIM could have been settled including the CLAIMS EXPENSES incurred up to the time of such refusal, or the applicable Limit of Liability, whichever is less and Underwriters shall have the right to withdraw from the further defense thereof by tendering control of said defense to the NAMED INSURED.
- (e) It is further provided that Underwriters shall not be obligated to pay any DAMAGES or CLAIMS EXPENSES or to undertake or continue the defense of any suit or proceeding after the applicable Limit of Liability has been exhausted by payment of DAMAGES or CLAIMS EXPENSES, or after deposit of any remaining Policy Limit in a court of competent jurisdiction and that upon such payment, Underwriters shall have the right to withdraw from the further defense thereof by tendering the control of said defense to the NAMED INSURED.

III. LIMIT OF LIABILITY

- (a) The Limit of Liability stated in Item 3(a) of the Declarations for "each CLAIM" is the limit of Underwriters' Liability for all DAMAGES and CLAIMS EXPENSES arising out of each CLAIM.
- (b) The Limit of Liability stated in Item 3(b) of the Declarations as "aggregate" is Underwriters' combined total Limit of Liability for all DAMAGES and CLAIMS EXPENSES arising out of all CLAIMS and circumstances which might lead to CLAIMS, which are covered under the terms and conditions of this Policy, and neither the inclusion of more than one INSURED under this Policy, nor the making of CLAIMS by more than one person or entity shall increase the Limit of Liability.
- (c) The Limit of Liability for the EXTENDED REPORTING PERIOD shall be part of, and not in addition to, the Limit of Liability of Underwriters for the POLICY PERIOD.
- (d) Multiple CLAIMS arising from or related to the same negligent act, error or omission or any continuing negligent acts, errors or omissions shall be considered a single CLAIM for the purposes of this Policy, irrespective of the number of Claimants. All such CLAIMS shall be deemed to have been made at the time of the first such CLAIM and be subject to the Limits of Liability stated in Item 3(a) and the "aggregate" stated in Item 3(b) of the Declarations.

IV. SELF INSURED RETENTION

The Self-Insured Retention amount stated in Item 4 of the Declarations shall apply separately to each and every CLAIM and shall apply to DAMAGES and CLAIMS EXPENSES, separately or in combination. Subject to the Limit of Liability stated in Item 3 of the Declarations, the obligation of Underwriters to pay on behalf of the INSURED for DAMAGES and CLAIMS EXPENSES, separately or in combination, shall only be in excess of the Self-Insured Retention amount, and only after the INSURED has fully paid the Self-Insured Retention. The NAMED INSURED shall make direct payments within the Self-Insured Retention to appropriate other parties designated by Underwriters.

Arbitration Credit

If the INSURED's engagement letter contains a binding arbitration provision and such CLAIM is ultimately resolved for an amount acceptable to Underwriters and the INSURED through arbitration, then the INSURED'S Self Insured Retention obligation shall be reduced by 50%, subject to a maximum reduction of \$10,000. Underwriters shall reimburse the INSURED for any applicable Self-Insured Retention payment made in excess of such amount as soon as practicable after the conclusion of the arbitration.

V. TERRITORY

The Insurance afforded herein applies worldwide.

EXCLUSIONS

The coverage under this Policy does not apply to DAMAGES or CLAIMS EXPENSES incurred with respect to any CLAIM:

- I. Arising out of or resulting from any fraudulent, criminal, malicious or dishonest acts, errors or omissions of any INSURED. However, notwithstanding the foregoing, this exclusion does not apply to CLAIMS EXPENSES incurred in defending any such CLAIM where a final adjudication shall establish no fraudulent, criminal, malicious or dishonest conduct;
- II. By or on behalf of one or more INSUREDS under this Policy against any other INSURED or INSUREDS under this Policy;
- III. For or arising out of BODILY INJURY or PROPERTY DAMAGE.
- IV. For or arising out of:
 - (a) future royalties or future profits, restitution, disgorgement of profits by an INSURED, or the costs of complying with orders granting injunctive or equitable relief;
 - (b) return or offset of fees, charges, or commissions for goods or services already provided or contracted to be provided;
 - (c) any DAMAGES which are a multiple of compensatory DAMAGES, or fines, sanctions or penalties;
 - (d) punitive or exemplary DAMAGES;
 - (e) any amounts for which the INSURED is not liable, or for which there is no legal recourse against the INSURED;
- V. Arising out of or resulting from the insolvency or bankruptcy of any INSURED or of any other entity that results in the failure, inability, or unwillingness to make payments or pay benefits due to the insolvency, liquidation or bankruptcy of any individual or entity;
- VI. Made by any business enterprise that is operated or controlled by any INSURED or in which any INSURED has greater than a 15% ownership interest, or wholly or partly owns, operates, controls or manages any INSURED;
- VII. Arising out of or resulting from any INSURED'S activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, partnership, corporation, or business other than that of the INSURED;
- VIII. Arising out of or resulting from any act, error or omission committed or alleged to have been committed prior to the inception date of this Policy:
 - (a) if any INSURED on or before the inception date knew or could have reasonably foreseen that such act, error or omission might be expected to be the basis of a CLAIM; or
 - (b) in respect of which any INSURED has given notice of a circumstance which might lead to a CLAIM to the insurer of any other policy in force prior to the inception date of this Policy;
- IX. For, or arising out of the liability of others assumed by the INSURED under any contract or agreement, either oral or written, except and to the extent the INSURED would have been liable in the absence of such contract or agreement;

- X. For or arising out of actual or alleged:
- (a) infringement or misappropriation of any intellectual property right, including but not limited to infringement of patent, copyright, title, trademark, service mark, design, trade dress or misappropriation of trade secret; or
 - (b) plagiarism, piracy or misappropriation of ideas under implied or actual contract, or misappropriation of any name or likeness for commercial advantage;
 - (c) defamation, libel, slander, product disparagement, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any individual or organization;
 - (d) invasion or interference with the right to privacy or of publicity;
 - (e) false arrest, detention or imprisonment or malicious prosecution;
 - (f) infringement of any right to private occupancy, including trespass, wrongful entry, eviction or eavesdropping;
- XI. For or arising out of the any actual or alleged 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 thereunder or any similar federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law;
- XII. Arising out of or resulting from any employer-employee relations, policies, practices, acts, or omissions, any actual or alleged refusal to employ any person, or misconduct with respect to employees;
- XIII. For or arising out of or resulting from actual or alleged discrimination of any kind including but not limited to age, color, race, sex, creed, national origin, marital status, sexual preference, disability or pregnancy;
- XIV. Arising out of or resulting from any acts, errors or omissions of any INSURED related to any pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts; or any violation of any provision of the Employee Retirement Income Security Act of 1974, or any amendment to the Act or any violation of any regulation, ruling or order issued pursuant to the Act;
- This exclusion does not apply to any CLAIM arising out of PROFESSIONAL SERVICES provided by any INSURED to any trustee, fiduciary or beneficiary of any Employee Stock Ownership Plan.
- XV. For or arising out of the actual or alleged violation of the Securities Act of 1933, the Securities Exchange Act of 1934, any state blue sky or securities law, any similar state or federal law, or any amendment to the above laws or any violation of any order, ruling or regulation issued pursuant to the above laws;
- XVI. For or arising out of any actual or alleged act, error or omission or breach of duty by any director or officer in the discharge of their duty if the CLAIM is brought by any Regulatory Body, the NAMED INSURED, a SUBSIDIARY or any directors, officers, bondholders, stockholders or employees of the NAMED INSURED or a SUBSIDIARY, in their capacity as such;
- XVII. For or arising out of any actual or alleged antitrust violation, restraint of trade, unfair competition, false, deceptive or unfair trade practices, violation of consumer protection laws or false or deceptive advertising.
- This exclusion shall not apply to any actual or alleged unfair competition, restraint of trade or any other violation of antitrust laws; however, this exclusion does not apply to any such claims that are the direct and proximate result of a negligent act, error or omission in the rendering or failing to render PROFESSIONAL SERVICES;
- XVIII. For or arising out of any actual or alleged design or manufacture of any goods or products which are sold or supplied by the INSURED or by others under license from the INSURED;

- XIX. For or arising out of any breach of express warranty, guarantee, or service level agreement, or for or arising out of any delay of delivery, failure to deliver, or non-acceptance of products or services;
- XX. For or arising out of the actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products or services; or as a result of cost guarantees, cost representations, contract price, or estimates of probable costs or cost estimates being exceeded;
- XXI. Arising out of any related or continuing acts, errors or omissions where the first such act, error or omission was committed or is alleged to have been committed prior to the RETROACTIVE DATE.
- XXII. Either in whole or in part, directly or indirectly, based upon, relating to or in consequence of or in any way attributable to asbestos in any form or quantity;
- XXIII. Directly or indirectly arising out of or resulting from the existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property;
- XXIV. Directly or indirectly arising out of or resulting from the presence or actual, alleged, or threatened discharge, seepage, dispersal, migration, release, escape, generation, transportation, storage, or disposal of pollutants at any time, including any request, demand or order that the INSURED or others test for, monitor, clean up, remove, assess, or respond to the effects of pollutants.

Pollutants shall include but not be limited to any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, odors, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;

- XXV. Directly or indirectly arising out of, based upon or resulting from
 - (a)
 - (i) the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; or
 - (ii) any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins;
 - (b) any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins;

Underwriters will have no duty or obligation to defend any INSURED with respect to any CLAIM or governmental or regulatory order, requirement, directive, mandate or decree which, either in whole or in part, directly or indirectly, is for, based upon, relates to, or arises out of the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind;

XXVI. Either in whole or in part, directly or indirectly caused by, resulting from or in connection with or in consequence of any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (b) any act of terrorism.

For the purpose of this exclusion, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This Exclusion also excludes DAMAGES or CLAIMS EXPENSES directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above.

If Underwriters allege that by reason of this exclusion, any DAMAGES or CLAIMS EXPENSES are not covered by this Policy, the burden of proving the contrary shall be upon the INSURED.

In the event any portion of this Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

- XXVII. any INSURED'S activities as turnaround consultant, turnaround manager, interim manager or exercising discretionary authority;
- XXVIII. any INSURED gaining any personal profit or advantage to which the INSURED was not legally entitled;
- XXIV. the sale or solicitation for sale of securities, real estate or any other investments by an INSURED;
- XXX. PROFESSIONAL SERVICES performed pre or post formation in connection with any organization; corporation; company; partnership; joint venture; operation; or entity (other than the NAMED INSURED) while any INSURED was or became an officer, director, partner, manager or holder of more than a 10% equity interest;
- XXXI. any INSURED'S activities as a trustee for any mutual or investment fund or trust, or a trust set up in connection with a pension, profit sharing, or other employee benefit plan subject to ERISA or
- XXXII. valuation of employee stock options, pension or employee benefits plans; however, this exclusion does not apply if the valuation is conducted:
 - (a) to satisfy IRS tax requirements or any similar tax requirements; or,
 - (b) as part of a marital assets or estate valuation; or,
 - (c) upon initial issuance in accordance with generally accepted accounting principles (GAAP) as outlined in FASB Statement of Financial Accounting Standards No. 123R or any update or replacement thereof.
- XXXIII. valuation of publicly traded securities; however, this exclusion does not apply if the publicly traded securities are held by an entity other than the issuing entity;
- XXXIV. conversion, misappropriation or improper commingling of client funds or funds held for the benefit of a client;
- XXXV. An INSURED'S engagement or service performed in the role of an accountant or auditor in accordance with professional or regulatory standards for such engagements and resulting in written reports by an INSURED that express a conclusion about the reliability of an assertion (for example, financial statements, prospective financial statements) made by another party.

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- XXXVI. insolvency, conservatorship, bankruptcy, receivership, rehabilitation, liquidation or failure of any bank, banking firm, investment company, investment banker or any broker or dealer in securities or commodities, or their inability to meet all or part of any legal or financial obligation.
- XXXVII. services performed as a property manager or real estate appraiser for purposes of issuing residential mortgages;
- XXXVIII. notary services performed in the absence of the person whose signature is notarized;
- XXXIX. the performance of services by any INSURED which can only be performed by a licensed insurance agent or broker;
- XL. services which can only be performed by a licensed attorney, certified public accountant, public adjuster, actuary or a licensed healthcare professional;
- XLI. any INSURED'S advice about or selection of any investment advisor, investment manager, custodial firm or similar firm;
- XLII. any INSURED'S opinion, advice, promise or guarantee about the future performance or value of investments, or future rate of return or interest;
- XLIII. fluctuation in the value of any security;
- XLIV. any INSURED'S activities as a venture capitalist, private equity, a bank, Real Estate Investment Trust manager or loan guarantor or originator.
- XLV. any CLAIM arising from any services as a financial intermediary under Section 1031 of the Internal Revenue Code, or any similar state tax code.

DEFINITIONS

As used throughout this Policy, the following definitions shall apply:

- I. BODILY INJURY means physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting therefrom.
- II. CLAIM means a demand received by any INSURED for money or services, including the service of suit or institution of arbitration proceedings. CLAIM shall also mean a threat or initiation of a suit seeking injunctive relief (meaning a temporary restraining order or a preliminary or permanent injunction).
- III. CLAIMS EXPENSES means:
 - (a) reasonable and necessary fees charged by an attorney designated by Underwriters; and
 - (b) all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a CLAIM, suit or proceeding arising in connection therewith, or circumstance which might lead to a CLAIM, if incurred by Underwriters, or by the INSURED with the written consent of Underwriters;
 - (c) CLAIMS EXPENSES do not include any salary, overhead or other charges by the INSURED for any time spent in cooperating in the defense and investigation of any CLAIM or circumstance that might lead to a CLAIM notified under this Policy.
- IV. DAMAGES means a monetary judgment, award or settlement.
- V. The term DAMAGES shall not include any matter excluded under Exclusions IV of this Policy.
- VI. EXTENDED REPORTING PERIOD means the 12-month period of time after the end of the POLICY PERIOD for reporting CLAIMS, as provided in Conditions II of this Policy.
- VII. INSURED as used throughout this Policy, whether expressed in singular or plural, shall mean:
 - (a) the NAMED INSURED(S) as stated in the Declarations and any SUBSIDIARIES of the NAMED INSURED(S);
 - (b) a director, officer or employee of the NAMED INSURED and any SUBSIDIARIES but only while acting in that capacity solely on behalf of the NAMED INSURED and any SUBSIDIARIES;
 - (c) a principal if the NAMED INSURED is a sole proprietorship, or a partner if the NAMED INSURED is a partnership, but only while acting in that capacity solely on behalf of the NAMED INSURED;
 - (d) any person who previously qualified as an INSURED under (b) or (c) above prior to the termination of the required relationship with the NAMED INSURED and any SUBSIDIARIES, but only while acting in that capacity solely on behalf of the NAMED INSURED or any SUBSIDIARIES;
 - (e) the estate, heirs, executors, administrators, assigns and legal representatives of any INSURED under (b), (c) or (d) above in the event of such INSURED'S death, incapacity, insolvency or bankruptcy, but only to the extent that such INSURED under (b), (c) or (d) above would otherwise be provided coverage under this Policy; and
 - (f) an independent contractor while acting solely on behalf of the NAMED INSURED or any SUBSIDIARIES, but only for a CLAIM also made against the NAMED INSURED or any SUBSIDIARIES.
 - (g) any Predecessor Firm which means an accounting firm or practice, some or all of whose principals, owners, partners or offices have joined the NAMED INSURED(S), provided such individual were responsible for producing in excess of 50% of the prior firm's annual gross billings and such billings have been assigned or transferred to the NAMED INSURED.

- (h) any Successor Firm which means after dissolution of the NAMED INSURED, any accounting firm or practice in which some or all of the principals, owners, officers and/or partners of the NAMED INSURED have joined an existing, or formed a new, accounting firm provided such persons were responsible for producing in excess of 50% of the NAMED INSURED'S annual gross billings at the time of dissolution and such billings have been assigned or transferred to the successor accounting firm: provided this policy does not apply to PROFESSIONAL SERVICES if the Successor Firm is also an INSURED under any similar professional liability or indemnity policy, or would be an INSURED under any such policy but for exhaustion of its limits of liability. This coverage shall terminate on this Policy's expiration date or 90 days from the date of dissolution of the NAMED INSURED, whichever is earlier, unless written notice is given to Underwriters, together with such information as Underwriters may request, and the Successor Firm shall pay any additional premium required in the event Underwriters agree to continue the policy.
- VIII. POLICY PERIOD means the period of time between the inception date shown in the Declarations and the effective date of termination, expiration or cancellation of this Policy and specifically excludes any EXTENDED REPORTING PERIOD.
- IX. PROFESSIONAL SERVICES means the following services performed or advice given by any INSURED to others for a fee as follows:
- (a) **Personal Financial Planning**. As a personal financial planner. Personal financial planning does not include services as a securities broker-dealer, nor does it include the direct sale of any investment.
 - (b) **Management Consulting and Strategic Planning**. Providing management consulting and strategic planning consulting services for others, including Litigation Support and Forensic Accounting.
 - (c) **Tax Practitioner**. As a tax practitioner. "Tax Practitioner" shall not include any INSURED'S activities as a Qualified Intermediary under Section 1031 of the Internal Revenue Code.
 - (d) **Bookkeeping**. As a bookkeeper.
 - (e) **Notary Public**. As a notary public.
 - (f) **Real Estate Appraisals**. In the appraisal of the condition or value of any real property, including any buildings and fixtures located on such real property.
 - (g) **Appraisal of Machinery and Equipment**. In the appraisal of the condition or value of any machinery or equipment.
 - (h) **Executive Coaching**. To improve the organizational performance or development of an individual in a management position at a business entity
 - (i) **Exit Planning**. To manage the exit of from a business entity of an individual who has a major financial holding in that business entity, to minimize the financial effect on that business entity.
 - (j) **Accreditation and Licensing**. As a member of a formal accreditation, ethics, peer review, licensing board, standards review or similar professional board or committee for the business valuations accounting profession.
- X. PROPERTY DAMAGE means injury to or destruction of any tangible property, including the loss of use thereof.
- XI. RETROACTIVE DATE is the date in Item 6 of the Declarations. No act, error or omission that takes place or is alleged to have taken place prior to that date is covered under this Policy.
- XII. SUBSIDIARY means any corporate entity where more than 50% of the outstanding securities representing the present right to vote for the election of such entity's directors are owned by the INSURED directly or indirectly.

CONDITIONS**I. NOTICE OF CLAIM, OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM**

- (a) If any CLAIM is made against the INSURED, the INSURED shall during the Policy Period immediately forward to Underwriters through persons named in Item 10 of the Declarations every demand, notice, summons or other process received by the INSURED or the INSURED'S representative.
- (b) If the INSURED first becomes aware of any circumstance that could reasonably be the basis for a CLAIM it must give written notice to Underwriters through persons named in Item 10 of the Declarations as soon as practicable during the PERIOD OF INSURANCE of:
 - (i) the specific details of the negligent act, error or omission in the provision of PROFESSIONAL SERVICES, that could reasonably be the basis for a CLAIM.
 - (ii) the injury or damage which may result or has resulted from the circumstance; and
 - (iii) the facts by which the INSURED first became aware of the negligent act, error or omission.

Any subsequent CLAIM arising out of such circumstance will be deemed to have been made at the time written notice complying with the above requirements was first given to Underwriters.

- (c) A CLAIM shall be considered to be reported to Underwriters when notice is first given to Underwriters through persons named in Item 10 of the Declarations of the CLAIM or of a negligent act, error or omission, which could reasonably be expected to give rise to a CLAIM, if provided in compliance with Section (b) above.
- (d) In the event of non-renewal of this Policy by Underwriters, the INSURED shall have thirty (30) days from the expiration date of the PERIOD OF INSURANCE to notify Underwriters of CLAIMS first made against the INSURED during the PERIOD OF INSURANCE which arise out of negligent acts, errors or omissions committed or alleged to have been committed prior to the termination date of the PERIOD OF INSURANCE and otherwise covered by this Policy.
- (e) If any INSURED shall make any CLAIM under this Policy knowing such CLAIM to be false or fraudulent, as regards amount or otherwise, this Policy shall become null and void and all coverage hereunder shall be forfeited.

II. PURCHASE OF EXTENDED REPORTING PERIOD

- (a) In the event of cancellation or non-renewal of this Policy by Underwriters, the First NAMED INSURED shall have the right, upon payment of an additional premium of 125% of the Premium set forth in Item 7 of the Declarations, to have issued an endorsement providing a twelve month EXTENDED REPORTING PERIOD for CLAIMS first made against any INSURED or circumstances the INSURED first becomes aware of, provided such CLAIMS or circumstances are reported to Underwriters during the EXTENDED REPORTING PERIOD, and arise out of any negligent act, error or omission committed or alleged to have been committed on or after the RETROACTIVE DATE and before the end of the PERIOD OF INSURANCE, subject to the conditions set forth herein. In order for the NAMED INSURED to invoke the EXTENDED REPORTING PERIOD option:
 - (i) notice of the intent to purchase the EXTENDED REPORTING PERIOD must be received by Underwriters within 15 days of the non-renewal or cancellation and
 - (ii) the payment of the additional premium for the EXTENDED REPORTING PERIOD must be received by Underwriters within 30 days of non-renewal or cancellation.
- (b) The Limit of Liability for the EXTENDED REPORTING PERIOD shall be part of, and not in addition to, the Limit of Liability of Underwriters for the PERIOD OF INSURANCE.
- (c) The quotation by Underwriters of a different Premium. Self-Insured Retention or Limit of Liability or changes in policy language for the purpose of renewal shall not constitute a refusal to renew by Underwriters.

- (d) The right to the EXTENDED REPORTING PERIOD shall not be available to the NAMED INSURED where cancellation or non-renewal by Underwriters is due to non-payment of premium or failure of an INSURED to pay such amounts in excess of the applicable Limit of Liability or within the amount of the applicable Self-Insured Retention.
- (e) At the commencement of the EXTENDED REPORTING PERIOD the entire premium shall be deemed earned, and in the event the NAMED INSURED terminates the EXTENDED REPORTING PERIOD for any reason prior to its natural expiration, Underwriters will not be liable to return any premium paid for the EXTENDED REPORTING PERIOD.

III. WARRANTY BY THE ASSURED

By acceptance of this Policy, all INSUREDS agree that the statements contained in the Application, any Application for Insurance of which this Policy is a renewal, and any supplemental materials submitted therewith are their agreements and representations, that they shall be deemed material to the risk assumed by Underwriters, and that this Policy is issued in reliance upon the truth thereof.

The misrepresentation or non-disclosure of any matter by the INSURED or its agent in the Application, any Application for Insurance of which this Policy is a renewal, or any supplemental materials submitted therewith, will render the Policy null and void and relieve Underwriters from all liability under the Policy.

The Application and any Application for Insurance of which this Policy is a renewal, and any supplemental materials submitted therewith are deemed incorporated into and made a part of this Policy.

IV. ASSISTANCE AND COOPERATION OF THE INSURED

The INSURED shall cooperate with Underwriters in all investigations, including investigations regarding the Application for and coverage under this Policy. The INSURED shall execute or cause to be executed all papers and render all assistance as is requested by Underwriters.

Upon Underwriters' request, the INSURED shall assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the INSURED because of negligent acts, errors or omissions with respect to which insurance is afforded under this Policy, and the INSURED shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

The INSURED shall not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgement or award or dispose of any CLAIM without the prior consent of Underwriters.

Expenses incurred by the INSURED in assisting and cooperating with Underwriters, as described above, do not constitute CLAIMS EXPENSES under the Policy.

V. NO ACTION AGAINST UNDERWRITERS

No action shall lie against Underwriters or their representatives unless, as a condition precedent thereto: 1. there shall have been full compliance with all terms of this Policy; and 2. until the amount of the INSURED'S obligation to pay shall have been finally determined either by judgment or award against the INSURED after actual trial or arbitration or by written agreement of the INSURED, the claimant and Underwriters.

Nothing contained in this Policy shall give any person or organization any right to join Underwriters as a defendant or co-defendant or other party in any action against the INSURED to determine the INSURED'S liability.

Bankruptcy or insolvency of the INSURED or of the INSURED'S estate shall not relieve Underwriters of their obligations hereunder.

VI. OTHER INSURANCE

In the event that any INSURED is covered for DAMAGES or CLAIMS EXPENSES under this Policy, and such DAMAGES and CLAIMS EXPENSES are also covered under any other policy of Insurance:

- (a) This Policy shall not be responsible for paying such DAMAGES or CLAIMS EXPENSES to the extent any other policy of insurance is responsible for paying such DAMAGES or CLAIMS EXPENSES.
- (b) This Policy shall apply in excess of any other valid and collectible insurance available to any INSURED, including any self-insured retention or deductible portion thereof unless such other insurance is written only as specific excess insurance over the Limit of Liability of this Policy.

VII. NAMED INSURED AS AGENT

The First NAMED INSURED specified in Item 1 of the Declarations shall be considered the agent of all INSUREDS with respect to the giving of or receipt of all notices pertaining to this Policy and shall be responsible for the payment to Underwriters of all premiums and for payment of the Self-Insured Retention.

VIII. PREMIUM

The premium for this Policy shall be the amount specified in Item 7 of the Declarations.

IX. SUBROGATION

In the event of any payment under this Policy, Underwriters shall be subrogated to all of the INSURED'S rights of recovery against any person or organization, and the INSURED shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The INSURED shall do nothing to prejudice such rights. Any recoveries shall be applied first to subrogation expenses, second to DAMAGES and CLAIMS EXPENSES paid by Underwriters, and third to the Self-Insured Retention. Any additional amounts recovered shall be paid to the NAMED INSURED.

X. ENTIRE AGREEMENT

By acceptance of the Policy, all INSUREDS agree that this Policy embodies all agreements between them and Underwriters relating to this Policy. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or stop Underwriters 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, signed by Underwriters.

XI. ASSIGNMENT

No assignment or transfer of any INSURED'S rights under this Policy shall bind Underwriters.

XII. MERGERS AND ACQUISITIONS

- (a) If during the POLICY PERIOD, the INSURED or any SUBSIDIARY:
- (i) purchases another entity or SUBSIDIARY in an amount greater than ten percent (10%) of the assets of all NAMED INSUREDS, as set forth in the most recent financial statements; or
 - (ii) acquires another entity or acquires or creates a SUBSIDIARY whose annual revenues are more than ten percent (10%) of the total annual revenues of all NAMED INSUREDS, as set forth in the most recent application for insurance;
- then no INSURED shall have coverage under this Policy for any CLAIM that arises out of any negligent act, error or omission, whether committed either before or after such purchase or acquisition unless the INSURED gives Underwriters written notice prior to the purchase or acquisition, or at the earliest opportunity thereafter, obtains the written consent of Underwriters to extend coverage to such additional entities, assets or exposures, and agrees to such additional premium and amended terms as determined by Underwriters.
- (b) No coverage shall be provided under this Policy for any CLAIM that arises out of any negligent act, error or omission committed or alleged to have been committed at any time when any entity or SUBSIDIARY was not owned and controlled by the INSURED, without the prior written consent of Underwriters and agreement of the NAMED INSURED to such additional premium and amended terms as required by Underwriters.
- (c) If during the POLICY PERIOD the INSURED consolidates or merges with or is acquired by another entity, then all coverage under this Policy shall terminate at the date of the consolidation, merger or acquisition unless Underwriters have issued an endorsement extending coverage under this Policy, and the INSURED has agreed to any additional premium and terms of coverage required by Underwriters.
- (d) All notices and premium payments made under this section shall be directed to Underwriters through the entity named in Item 13 of the Declarations.

XIII. CANCELLATION

- (a) This Policy may be cancelled by the First NAMED INSURED by surrender thereof to Underwriters or by mailing to Underwriters through the entity named in Item 13 of the Declarations written notice stating when thereafter the cancellation shall be effective. Underwriters may cancel this Policy by mailing to the First NAMED INSURED at the address shown in the Declarations written notice stating when not less than 60 days thereafter such cancellation shall be effective. However, if Underwriters cancel this Policy because the INSURED has failed to pay a premium when due, this Policy may be cancelled by Underwriters by mailing a written notice of cancellation to the First NAMED INSURED at the address shown in the Declarations stating when not less than 10 days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the POLICY PERIOD. Delivery of such written notice either by the First NAMED INSURED or by Underwriters shall be equivalent to mailing.
- (b) If the First NAMED INSURED cancels this Policy, earned premium shall be computed in accordance with the attached short rate table and procedure.
- (c) If Underwriters cancel this Policy, earned premium shall be computed pro rata.
- (d) The premium shall be deemed fully earned if any CLAIM or circumstance that might lead to a CLAIM is reported to Underwriters under this Policy.
- (e) Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

XIV. FORFEITURE

Any (a) action or failure to act by the INSURED with the intent to defraud Underwriters or (b) material misrepresentation or non-disclosure of any material fact by the INSURED in the Application or in any supplemental materials submitted therewith, shall render this Policy null and void, and all coverage hereunder shall be forfeited.

XV. SINGULAR FORM OF A WORD

Whenever the singular form of a word is used herein, the same shall include the plural when required by context.

XVI. TITLES OF PARAGRAPHS

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

XVII. SERVICE OF SUIT

It is agreed that in the event of the failure of Underwriters hereon to pay any amount claimed to be due under this Policy, Underwriters hereon, at the request of the INSURED, will submit to the jurisdiction of a court of competent jurisdiction within the United States. This Condition does not constitute and should not be understood to constitute an agreement by Underwriters that an action is properly maintained in a specific forum, nor may it be construed as a waiver of Underwriters' rights to commence an action in a 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 of the United States, all of which rights Underwriters expressly reserve. It is further agreed that service of process in such suit may be made upon the Underwriters' representatives specified for that purpose in Item 9 of the Declarations.

The Underwriters' representatives are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the INSURED to give written undertaking to the INSURED that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted. Further, pursuant to any statute of any state, territory or district of the United States which makes provision thereof, Underwriters hereon hereby designate the

Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceedings instituted by or on behalf of the INSURED or any legal representative of the INSURED arising out of this contract of Insurance, and hereby designate the Underwriters' representatives as the persons to whom the said officer is authorized to mail such process or a true copy thereof.

XVIII. SHORT RATE CANCELLATION TABLE

Notwithstanding anything to the contrary contained herein and in consideration of the premium for which this Insurance Policy is written it is agreed that in the event of cancellation thereof by the First NAMED INSURED the earned premium shall be computed as described in the Short Rate Cancellation Table.