



## NEW YORK LAWYERS PROFESSIONAL LIABILITY POLICY

**THIS IS A CLAIMS MADE POLICY. IT APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST AN INSURED DURING THE CLAIMS-MADE RELATIONSHIP OR ANY EXTENDED REPORTING PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE UPON TERMINATION OF COVERAGE UNLESS, AND TO THE EXTENT, THE EXTENDED REPORTING PERIOD APPLIES. PLEASE REVIEW THIS POLICY CAREFULLY AND DISCUSS THIS COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.**

### I. INSURING AGREEMENT

#### A. Coverage

The **Company** agrees to pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** shall become legally obligated to pay as **damages** because of a **claim** that is first made against the **Insured** during the **policy period** and reported to the **Company** during the **policy period**, any subsequent renewal, or any **extended reporting period** by reason of an act or omission in the performance of **legal services** by the **Insured** or by any person for whom the **Insured** is legally liable, provided that:

1. no **Insured** gave notice to a **prior insurer** of such **claim** or a **related claim**;
2. no **Insured** gave notice to a **prior insurer** of any such act or omission or **related act or omission**;
3. prior to the date an **Insured** first becomes an **Insured** under this Policy or became an **Insured** under the first policy issued by the **Company** (or its subsidiary or affiliated insurers) to the **Named Insured** or any **predecessor firm**, whichever is earlier, of which this Policy is a renewal or replacement, no such **Insured** had a basis to believe that any such act or omission, or **related act or omission**, might reasonably be expected to be the basis of such **claim**;
4. there is no other policy, whether primary, contributory, excess, contingent or otherwise, which provides insurance to any **Insured** for the **claim** based on or arising out of an act or omission in the performance of **legal services** by such **Insured** or by any person for whom such **Insured** is legally liable while "affiliated" with a firm other than the **Named Insured**. As used herein, "affiliated" includes acting as Of Counsel for a firm other than the **Named Insured**.

The **Company** shall also pay **claim expenses** in connection with such **claim**. **Claim expenses** are in addition to the limits of liability.

#### B. Defense

The **Company** shall have the right and duty to defend in the **Insured's** name and on the **Insured's** behalf a **claim** covered by this Policy even if any of the allegations of the **claim** are groundless, false or fraudulent. The **Company** shall have the right to appoint counsel and to make such investigation and defense of a **claim** as is deemed necessary by the **Company**. If a **claim** shall be subject to arbitration or mediation, the **Company** shall be entitled to exercise all of the **Insured's** rights in the choice of arbitrators or mediators and in the conduct of an arbitration or mediation proceeding.

#### C. Settlement

The **Company** shall not settle a **claim** without the written consent of the **Named Insured**. If the **Named Insured** refuses to consent to a settlement or compromise recommended by the **Company** and acceptable to the claimant, then the **Company's** limit of liability under this Policy shall be reduced to the amount for which the **claim** could have been settled plus all **claim expenses** incurred up to the time the **Company** made its recommendation, which amount shall not exceed the remainder of the limit of liability specified in Section II.A.

#### D. Exhaustion of limits



The **Company** is not obligated to investigate, defend, pay or settle, or continue to investigate, defend, pay or settle a **claim** after the applicable limit of the **Company's** liability has been exhausted by payment of **damages** or after the **Company** has deposited the remaining available limits of liability into a court of competent jurisdiction in satisfaction of a judgment or settlement. In such case, the **Company** shall have the right to withdraw from the further investigation, defense, payment or settlement of such **claim** by tendering control of said investigation, defense or settlement of the **claim** to the **Insured**. The **Company** will initiate and cooperate in the transfer of control to the **Named Insured** of any **claims** which were reported to it prior to the exhaustion of such limit. The **Named Insured** must cooperate in the transfer of control of such **claims**. The **Company** agrees to take the necessary steps, as it deems appropriate, to avoid a default in such **claims** until such transfer has been completed, provided the **Named Insured** is cooperating in completing such transfer. The **Named Insured** must reimburse the **Company** for expenses it incurs in taking those steps it deems appropriate to avoid a default.

## II. LIMITS OF LIABILITY AND DEDUCTIBLE

### A. Limit of liability - each **claim**

Subject to paragraph B. below, the limit of liability of the **Company** for **damages** for each **claim** shall not exceed the amount stated in the Declarations for each **claim**.

### B. Limit of liability - in the aggregate

The limit of liability of the **Company** for **damages** for all **claims** shall not exceed the amount stated in the Declarations as the aggregate.

### C. Deductible

The deductible amount stated in the Declarations is the total amount of the **Insured's** liability for all **claims** and applies to the payment of **damages only**. The deductible shall be paid by the **Named Insured**, or upon the **Named Insured's** failure to pay, jointly and severally by all **Insureds**. The limits of liability set forth in the Declarations are in addition to and in excess of the deductible.

### D. Multiple **Insureds**, **claims** and claimants

The limits of liability shown in the Declarations and subject to the provisions of this Policy is the amount the **Company** will pay as **damages** regardless of the number of **Insureds**, **claims** made or persons or entities making **claims**. If **related claims** are subsequently made against the **Insured** and reported to the **Company** during the **policy period**, any subsequent renewal, or any applicable **extended reporting period**, all such **related claims**, whenever made, shall be considered a single **claim** first made and reported to the **Company** within the **policy period** in which the earliest of the **related claims** was first made and reported to the **Company**.

### E. Supplementary payments

Payments made under paragraphs 1 and 2 below will not be subject to the deductible. Such payments are in addition to the limits of liability.

#### 1. Loss of Earnings

The **Company** will reimburse each **Insured** up to \$500.00 for loss of earnings for each day or part of a day of such **Insured's** attendance, at the **Company's** written request, at a trial, hearing or other alternative dispute resolution proceeding, including arbitration proceeding or mediation, involving a **claim** against such **Insured**, but in no event shall the amount payable hereunder exceed \$15,000.00 per **Insured** despite the number of days an **Insured** is in attendance, or the number of trials, hearings or arbitration proceedings that an **Insured** is required to attend. In no



event shall the amount payable per **policy period** exceed \$30,000.00 despite the number of **Insureds** hereunder or the number of such proceedings.

## 2. Disciplinary Proceedings

The **Company** will reimburse the **Named Insured** up to \$20,000. for each **Insured** and all **Insureds** in the aggregate, for attorney fees and other reasonable costs, expenses or fees (the "Disciplinary Fees") paid to third parties (other than an **Insured**) resulting from any one **Disciplinary Proceeding** incurred as the result of a notice of such **Disciplinary Proceeding** first received by the **Insured** during the **policy period** and reported in writing to the **Company** during the **policy period**, any subsequent renewal, or any **extended reporting period**, arising out of an act or omission in the rendering of **legal services** by such **Insured**. The amount payable hereunder shall not exceed \$100,000. despite the number of such proceedings except that:

- a. The above coverage shall not apply to **claims** involving entitlement to non-employment related benefits, provided either directly or indirectly, from any government, governmental agency or political subdivision pursuant to any entitlement program.
- b. This Policy shall not provide coverage for an **Insured** that institutes or initiates the proceeding or litigation where the insured is: (i) a public entity, as that term is defined by New York law; (ii) a quasi-public entity specifically created by statute; or (iii) a large commercial insured, as is defined by New York law, except that, in regard to a large commercial insured, the policy may provide coverage for an appellate proceeding.
- c. This **Policy** shall not provide for the indemnification of any penalty or other similar monetary amount that the **Insured** may become obligated for as the result of such proceeding.

In the event of a determination of **No Liability** of the **Insured** against whom the **Disciplinary Proceeding** has been brought, the **Company** shall reimburse such **Insured** for Disciplinary Fees, including those in excess of the \$20,000 cap set forth above, up to \$100,000. In no event shall the amount payable hereunder exceed \$100,000 despite the number of **Insureds** hereunder or the number of such proceedings.

## F. Risk Management Incentives

### 1. Mediation

If mediation of a **claim** takes place either without institution of arbitration proceeding or service of suit or within 60 days of the institution of such proceedings or service of suit, and such **claim** is ultimately resolved for an amount acceptable to the **Insured** and the **Company** by the process of mediation, the **Insured's** deductible, applying to the **claim**, will be reduced by 50%. In no event shall the amount of the deductible waived hereunder exceed \$25,000.

### 2. Subpoena Assistance

In the event the **Insured** receives a subpoena for documents or testimony arising out of **legal services** rendered by the **Insured** and the **Insured** would like the **Company's** assistance in responding to the subpoena, the **Insured** may provide the **Company** with a copy of the subpoena and the **Company** will retain an attorney to provide advice regarding the production of documents, to prepare the **Insured** for sworn testimony, and to represent the **Insured** at the **Insured's** depositions, provided that:

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

The **Company** will pay such attorney's legal fees excluding any disbursements. Such fees incurred under this provision are in addition to the limits of liability and are not subject to the deductible. Any notice the **Insured** gives the **Company** of such subpoena shall be deemed notification of a potential **claim** under Section V.A. of this Policy.

## G. Pre-claims Assistance



Until the date a **claim** is made, the **Company** may pay for all costs or expenses it incurs, at its sole discretion, as a result of investigating a potential **claim** that the **Insured** reports in accordance with Section V. CONDITIONS, Paragraph A, Notice, subparagraph 2, Notice of Potential **Claim**. Such payments are in addition to the limits of liability and not subject to the deductible.

### III. DEFINITIONS

The following defined words shall have the same meaning throughout this **Policy**, whether expressed in the singular or the plural. Wherever appearing in bold print in this Policy:

**"Bodily injury"** means injury to the body, sickness or disease sustained by any person, including death resulting from such injuries; or mental injury, mental anguish, mental tension, emotional distress, pain or suffering or shock sustained by any person whether or not resulting from injury to the body, sickness, disease or death of any person.

**"Claim"** means a demand, including the service of suit or the institution of any alternative dispute resolution proceeding, received by the **Insured** for money arising out of an act or omission, including **personal injury**, in the rendering of or failure to render **legal services**.

**"Claim expenses"** mean:

- A. fees charged by attorneys designated by the **Company** or by the **Insured** with the **Company's** written consent; and
- B. all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **claim** if incurred by the **Company**, or by the **Insured** with the written consent of the **Company**, including, but not limited to, premiums for any appeal bond, attachment bond or similar bond but without any obligation of the **Company** to apply for or furnish any such bond.
- C. all costs taxed against an **Insured** in defense of a **claim**; and
- D. all interest on the entire amount of any judgment which accrues after entry of the judgment and before the **Company** has paid that part of the judgment which does not exceed the limits of liability stated in Section II A. above.

**Claim expenses** do not include fees, costs or expenses of employees or officers of the **Company**. Nor shall **claim expenses** include salaries, loss of earnings or other remuneration by or to any **Insured**.

**Claims-made relationship** means that period of time between the effective date of the first claims-made policy between the **Company** and the **Named Insured** and the cancellation or nonrenewal of the last consecutive claims-made policy between the **Company** and the **Named Insured**, where there has been no gap in coverage, but does not include any period covered by **extended reporting period** coverage

**"Company"** means the insurance company named in the Declarations.

**"Damages"** mean judgments, awards and settlements (including pre-judgment interest), provided any settlements negotiated with the assistance and approval of the **Company**. **Damages** do not include:

- A. legal fees, costs and expenses paid or incurred or charged by any **Insured**, no matter whether claimed as restitution of specific funds, forfeiture, financial loss, set-off or otherwise, and injuries that are a consequence of any of the foregoing;
- B. civil or criminal fines, sanctions, penalties or forfeitures, whether pursuant to law, statute, regulation or court rule, including but not limited to awards under 18 U.S.C. §1961, et. seq., Federal Rules of Civil Procedure 11 or 28 U.S.C. §1927 and state statutes, regulations, rules or law so providing, and injuries that are a consequence of any of the foregoing;
- C. punitive or exemplary amounts;
- D. the multiplied portion of multiplied awards;
- E. injunctive or declaratory relief;
- F. any amount for which an **Insured** is absolved from payment by reason of any covenant, agreement or court order.



“**Disciplinary Proceeding**” means any pending matter, including an initial inquiry, before a state or federal licensing board or a peer review committee to investigate charges alleging a violation of any rule of professional conduct in the performance of **legal services**.

“**Insured**” means the **Named Insured, predecessor firm** and the persons or entities described below:

- A. any lawyer, partnership, professional corporation, professional association, limited liability company or limited liability partnership who is or becomes a partner, officer, director, stockholder-employee, associate, manager, member or **employee** of the **Named Insured** during the **policy period** shown in the Declarations;
- B. any lawyer previously affiliated with the **Named Insured** or a **predecessor firm** as a partner, officer, director, stockholder-employee, associate, manager, member or salaried employee but only for **legal services** performed on behalf of the **Named Insured** or a **predecessor firm** at the time of such affiliation. The term “previously affiliated” as used herein does not include a lawyer who, during the **policy period** and while affiliated with the **Named Insured**: a) voluntarily ceases, permanently and totally, the private practice of law; or b) dies or becomes **totally and permanently disabled**. Such a lawyer will be deemed to be an **Insured** under paragraph A. above;
- C. any lawyer, law firm, partnership, professional corporation, professional association, limited liability company or limited liability partnership who acts as Of Counsel to the **Named Insured** or any non-employee independent contractor attorney to the **Named Insured**, but only for **legal services** rendered on behalf of the **Named Insured** and only if a fee inured or, in the event of a contingency fee, would have inured, to the **Named Insured**. No fee need inure to the **Named Insured** where eleemosynary (pro bono) **legal services** are rendered by such Of Counsel **Insured** where at the time of retention, there was approval by the appropriate committee or lawyer within the **Named Insured** that the matter would be handled without compensation. Any lawyer, law firm, partnership, professional corporation, professional association, limited liability company or limited liability partnership who acts as Of Counsel to the **Named Insured**, who previously qualified as an **Insured** under paragraph A. above, but left the full time practice of law to practice exclusively as Of Counsel to the **Named Insured**, will be deemed to be an **Insured** under paragraph A. above;.
- D. any person who is a former or current employee, other than an employed lawyer, of the **Named Insured** or any **predecessor firm**, but solely for services performed by such person within the course and scope of their employment by the **Named Insured** or any **predecessor firm** and provided that the services in dispute are **legal services** of the **Named Insured** or any **predecessor firm**;
- E. the estate, heirs, executors, administrators, assigns and legal representatives of an **Insured** in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would have been provided coverage under this Policy.

“**Legal services**” mean:

- A. those services, including pro bono services, performed by an **Insured** for others as a lawyer, arbitrator, mediator, title agent or other neutral fact finder or as a notary public. Any title agency or company, on whose behalf the **Insured** acts as title agent or designated issuing attorney, is not an **Insured** under this Policy;
- B. those services performed by an **Insured** as an administrator, conservator, receiver, executor, guardian, trustee or in any other fiduciary capacity and any investment advice given in connection with such services;
- C. those services performed by an **Insured** in the capacity as a member, director or officer of any professional legal association, including any Bar Association and any similar organization or association, its governing board or any of its committees;-

“**Named Insured**” means the persons and entities designated in the Declarations.

“**Personal injury**” means an injury arising out of: false arrest, detention, or imprisonment; wrongful entry, or eviction, or other invasion of the right of private occupancy; libel, slander, or other disparaging or defamatory materials; a writing or saying in violation of an individual’s right to privacy; malicious prosecution or abuse of process.



"**Policy period**" means the period of time between the inception date and time shown in the Declarations and the date and time of termination, expiration or cancellation of this Policy.

"**Predecessor firm**" means any entity which has undergone dissolution and is named as such on the Declarations.

"**Prior insurer**" means an insurer, including the **Company** and any subsidiary or affiliate of the **Company**, who has issued a lawyers professional liability insurance policy that is applicable to a **claim**, such policy having an inception date prior to the **policy period**.

"**No Liability**" means that with respect to an **Insured** who is the subject of a **Disciplinary Proceeding**, there is a:

- A. final determination of no liability;
- B. a determination of no further action; or
- C. the matter is abandoned by the disciplinary authority.

In no event shall the term "**No Liability**" apply to a **Disciplinary Proceeding** for which a settlement has occurred.

"**Related acts or omissions**" mean all acts or omissions in the rendering of **legal services** that are temporally, logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.

"**Related claims**" mean all **claims** arising out of a single act or omission or arising out of **related acts or omissions** in the rendering of **legal services**.

"**Termination of Coverage**" means, whether made by the **Company** or the **Named Insured** at any time:

- A. Cancellation or nonrenewal of this Policy; or
- B. Decrease in limits, reduction of coverage, increased deductible or self-insured retention, new exclusion, or any other change in coverage less favorable to the **Named Insured**.

"**Totally and permanently disabled**" means that an **Insured** is so disabled as to be wholly prevented from rendering **legal services** provided that such disability:

- A. has existed continuously for not less than six (6) months; and
- B. is reasonably expected to be continuous and permanent.

#### IV. EXCLUSIONS

This Policy does not apply:

##### A. Intentional Acts

to any **claim** based on or arising out of any dishonest, fraudulent, criminal or malicious act or omission by an **Insured** except that:

1. this exclusion shall not apply to **personal injury**;
2. the **Company** shall provide the **Insured** with a defense of any **claim** based on or arising out of any dishonest, fraudulent or malicious act or omission by an **Insured** unless or until the dishonest, fraudulent, malicious or intentional act or omission has been determined by any trial verdict, court ruling, regulatory ruling or legal admission, whether appealed or not. Such defense will not waive any of the **Company's** rights under this Policy. Criminal proceedings are not covered under this Policy regardless of the allegations made against any **Insured**;
3. this exclusion will not apply to any **Insured** who is not found to have personally committed the dishonest, fraudulent, criminal, malicious or intentional act or omission by any trial verdict, court ruling, or regulatory ruling.

##### B. Bodily Injury/Property Damage



to any **claim** for **bodily injury**, or injury to, or destruction of, any tangible property, including the loss of use resulting therefrom except that this exclusion of **bodily injury** does not apply to mental injury, mental anguish, mental stress, humiliation or emotional distress caused by **personal injury**;

C. Status as Beneficiary or Distributee

to any loss sustained by an **Insured** or **claim** made against an **Insured** as beneficiary or distributee of any trust or estate;

D. Contractual Liability

to any **claim** based on or arising out of an **Insured's** alleged liability under any oral or written contract or agreement, unless such liability would have attached to any **Insured** in the absence of such agreement;

E. **Insured vs. Insured**

to any **claim** by or on behalf of an **Insured** under this Policy against any other **Insured** hereunder unless such **claim** arises out of **legal services** by an **Insured** rendered to such other **Insured** as a client;

F. Capacity as Director, Officer, Fiduciary

to any **claim** based on or arising out of an **Insured's** capacity as:

1. a former, existing or prospective officer, director, shareholder, partner, manager, member, or trustee of any entity including pension, welfare, profit-sharing, mutual or investment fund or trust, if such entity is not named in the Declarations; or
2. a fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto or any other similar state or local law;

except that this exclusion does not apply to a **claim** based on or arising out of an **Insured's** capacity as a member, director or officer of any professional legal association, including any Bar Association and any similar organization or association, its governing board or any of its committees.

G. Capacity as Public Official

to any **claim** based on or arising out of an **Insured's** capacity as a public official or an employee or representative of a governmental body, subdivision or agency unless such **Insured** is deemed as a matter of law to be a public official or employee or representative of such entity solely by virtue of rendering **legal services** to it;

H. Owned Entity

to any **claim** based on or arising out of **legal services** performed, directly or indirectly, for any entity not named in the Declarations, if at the time of the act or omission giving rise to the **claim**, the percentage of ownership interest, direct or indirect, in such entity by any **Insured**, or an accumulation of **Insureds**, exceeded 10%.

V. CONDITIONS

A. Notice

1. Notice of **Claims**

The **Insured**, as a condition precedent to the obligations of the **Company** under this Policy, shall as soon as reasonably practical after learning of a **Claim** give written notice to the **Company** or the **Company's** licensed agent during the **policy period**, any subsequent renewal, or any **extended reporting period** of any **claim** made against the **Insured** during the **policy period**.



Late notice will not invalidate a **claim** if it was not reasonably possible to give notice sooner and notice was given as soon as possible.

2. Notice of Potential **Claims**

If during the **policy period** the **Insured** becomes aware of any act or omission that may reasonably be expected to be the basis of a **claim** against the **Insured** and gives written notice to the **Company** or the **Company's** licensed agent of such act or omission and the reasons for anticipating a **claim**, with full particulars, including but not limited to:

- a. the specific act or omission;
- b. the dates and persons involved;
- c. the identity of anticipated or possible claimants;
- d. the circumstances by which the **Insured** first became aware of the possible **claim**,

then any such **claim** that arises out of such reported act or omission and that is subsequently made against the **Insured** during the **policy period** and reported to the **Company** during the **policy period**, any subsequent renewal, or any **extended reporting period**, if applicable, shall be deemed to have been made at the time such written notice was given to the **Company** or the **Company's** licensed agent.

B. Reimbursement of the **Company**

Subject always to the **Insured's** right to consent to settlement, as set forth in Section I. INSURING AGREEMENT, paragraph C, Settlement, if the **Company**, in the exercise of its discretion and without any obligation to do so, pays any amount within the amount of the deductible, the **Named Insured**, or upon the **Named Insured's** failure to pay, the **Insureds**, jointly and severally, shall be liable to the **Company** for any and all such amounts and, upon demand, shall pay such amounts to the **Company**.

C. Territory

This Policy applies to an act or omission taking place anywhere in the world, provided that the **claim** is made and suit is brought against the **Insured** within the United States of America, including its territories, possessions, Puerto Rico or Canada.

D. Other insurance

If there is other insurance that applies to the **claim**, this insurance shall be excess over such other valid and collectible insurance whether such insurance is stated to be primary, contributory, excess, contingent or otherwise. When there is such other insurance, the **Company** will pay only its share of the amount of any **damages** and **claim expenses**, if any, that exceed the sum of:

1. the total amount that all such other insurance would pay for with respect to such **Claim** in the absence of this insurance; and
2. the total of all deductible and self-insured amounts under all that other insurance.

This paragraph does not apply to any other insurance that was bought specifically to apply in excess of the Limits of Liability shown in the Declarations of this Policy.

When this insurance is excess, the **Company** will have no duty under this Policy to defend the **Insured** against any **claim** if any other insurer has a duty to defend the **Insured** against that **claim**. If no other insurer defends, the **Company** will undertake to do so, but it will be entitled to the **Insured's** rights against all those other insurers.

E. Assistance and cooperation of the **Insured**

1. The **Insured** shall cooperate with the **Company** and, upon the **Company's** request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving of evidence,



obtaining the attendance of witnesses, and the conduct of suits and proceedings in connection with a **claim**.

2. The **Insured** shall assist in the enforcement of any right of contribution or indemnity against any person or organization who or which may be liable to any **Insured** in connection with a **claim**.
3. The **Insured** shall not, except at its own cost, voluntarily make any payment, assume or admit any liability or incur any expense without the consent of the **Company**.

F. Action against the **Company**

No action shall lie against the **Company** by any third party, unless, as a condition precedent thereto:

1. there shall have been full compliance with all the terms of this Policy; and
2. the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** or by written agreement of the **Insured**, the claimant and the **Company**.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or organization shall have any right under this Policy to join the **Company** as a party to any action against an **Insured**, nor shall the **Company** be impleaded by the **Insured** or his legal representative.

G. Bankruptcy or Insolvency

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

H. Subrogation

In the event of any payment under this Policy, the **Company** shall be subrogated to all the **Insured's** rights of recovery thereof against any person or organization. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure and collect upon such rights. The **Insured** shall do nothing to prejudice such rights.

I. Changes

None of the provisions of this Policy will be waived, changed or modified except by written endorsement, signed by the **Company**, issued to form a part of this Policy.

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. Cancellation

1. This Policy may be canceled by the **Named Insured** by surrendering it to the **Company** or any of its authorized agents. The **Named Insured** may also cancel this Policy by written notice to the **Company** or the **Company's** licensed agent stating at what future date cancellation is to be effective.
2. If this Policy has been in effect for sixty (60) days or less, this Policy may be canceled by the **Company** by mailing or delivering to the **Named Insured** written notice stating the reason for cancellation at the mailing address shown on the Declarations, and to its authorized agent or broker at least:
  - a. twenty (20) days before the effective date of cancellation if this Policy is canceled for any reason not included in paragraph b. below;
  - b. fifteen (15) days before the effective date of cancellation if this Policy is canceled for any of the following reasons:



- (1) Non-payment of premium provided; however, a notice of cancellation on this ground shall inform the **Insured** of the amount due;
  - (2) conviction of a crime arising out of acts increasing the hazard insured against;
  - (3) any discovery of fraud or material misrepresentation in the obtaining of this Policy or in the presentation of a **claim**;
  - (4) after issuance of this Policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current **policy period**;
  - (5) material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of this Policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time this Policy was issued or last renewed;
  - (6) a determination by the New York State Superintendent of Insurance that continuation of the present premium volume of the **Company** would jeopardize the **Company's** solvency or be hazardous to the interest of the **Company's** policyholders, creditors or the public;
  - (7) a determination by such Superintendent that the continuation of this Policy would violate, or would place the **Company** in violation of, any provision of the New York Insurance Code; or
  - (8) revocation or suspension of the **Insured's** license to practice law.
3. If this Policy has been in effect for more than sixty (60) days, or if this Policy is a renewal or continuation of a policy issued by the **Company**, this Policy may be canceled by the **Company** only for any reasons listed in paragraph 2.b. above provided a written notice stating the reason for cancellation is mailed or delivered to the **Named Insured** at the address shown in the Declarations, and its authorized agent or broker at least fifteen (15) days before the effective date of cancellation.
4. Notice of cancellation will state the effective date of cancellation. The **policy period** will end on this date. If notice is mailed, proof of mailing will be sufficient proof of notice.
5. If the **Named Insured** cancels, earned premium will be computed in accordance with the customary short ratetable and procedure. If the **Company** cancels, earned premium shall be computed pro rata. However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, the **Company** will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. 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.
6. If one of the reasons for cancellation set forth in Paragraph L.2.b. exists, we may cancel this entire Policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this Policy.

M. Nonrenewal/Conditional Renewal

1. If the **Company** elects not to renew this Policy, the **Company** shall send notice as provided in paragraph 3. below along with the reason for nonrenewal.
2. If the **Company** conditions renewal of this Policy upon:
  - a. change of limits;
  - b. change in type of coverage;
  - c. reduction of coverage;
  - d. increased deductible;
  - e. addition of exclusion;
  - f. increased premiums in excess of 10%, exclusive of any premium increased due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit; the **Company** shall send notice as provided in paragraph 3.b. below.



3. Notice of nonrenewal and conditional renewal will be provided as follows:
  - a. If the **Company** decides not to renew this Policy or to conditionally renew this Policy as provided in paragraphs 1 and 2. above, the **Company** shall mail or deliver written notice to the **Named Insured** at least sixty (60) days but not more than one hundred twenty (120) days before:
    - (1) the expiration date; or
    - (2) the anniversary date if this is a continuous policy.
  - b. Notice will be mailed or delivered to the **Named Insured** at the address shown in the Declarations and its authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.
  - c. The **Company** will not send the **Named Insured** notice of non-renewal or conditional renewal if the **Named Insured** or its authorized agent or broker or another insurer of the **Named Insured** mails or delivers notice that this Policy has been replaced or no longer desired.
4. If the **Company** violates any of the provisions of this subsection by sending the **Named Insured** an incomplete or late conditional notice:
  - a. Coverage will remain in effect at the same terms and conditions of this Policy at the lower of the current rates or the prior period's rates until sixty (60) days after such notice is mailed or delivered, unless the **Named Insured**, during this sixty (60) day period, has replaced the coverage or elects to cancel.
  - b. On or after the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy for another policy period, at the lower of the current rates or the prior period's rates, unless the **Named Insured**, during the additional policy period, has replaced the coverage or elects to cancel.

L. Entire contract

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

1. all of the information and statements provided to the **Company** by the **Insured** are true, accurate and complete and shall be deemed to constitute material representations made by all of the **Insureds**;
2. this Policy is issued in reliance upon the **Insured's** representations; and
3. this Policy, endorsements thereto, together with 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**; and
4. the misrepresentation of any material matter by the **Insured** or the **Insured's** agent, which if known by the **Company** would have led to the refusal by the **Company** to make this contract or provide coverage for a **claim** hereunder and will render this Policy null and void and relieve the **Company** from all liability herein.

M. **Named Insured** sole agent

The **Named Insured** shall be the sole agent of all **Insureds** hereunder for the purpose of effecting or accepting any notices hereunder, any amendments to or cancellation of this Policy, for the completing of any applications and the making of any statements, representations and warranties, 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.

N. Liberalization

If the **Company** adopts any revision that would broaden coverage under this policy form G-118011-A without additional premium at any time during the **policy period**, the broadened coverage will immediately apply to this Policy except that it will not apply to **claims** that were first made against the **Insured** prior to the effective date of such revision.



O. Notices

Any notices required to be given by an **Insured** shall be submitted in writing to the **Company** or its authorized representative. If mailed, the date of mailing of such notice shall be deemed to be the date such notice was given and proof of mailing shall be sufficient proof of notice.

P. Trade and Economic Embargoes

This policy does not provide coverage for **Insureds**, transactions or that part of **damages** or **claims expenses** that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

VI. **EXTENDED REPORTING PERIODS**

As used herein, "**extended reporting period**" means the period of time after the end of the **policy period** for reporting **claims** that are made against the **Insured** during the applicable **extended reporting period** by reason of an act or omission that occurred prior to the end of the **policy period** and is otherwise covered by this Policy.

- A. The provisions of the **extended reporting period** coverage will not apply, except for the sixty (60) day automatic extended reporting period if the **claims-made relationship** has been less than one year and this Policy has been terminated for nonpayment of premium or fraud.
- B. In the event of **termination of coverage**, or if this Policy is renewed under terms and conditions less favorable to the **Named Insured** than those contained in the preceding policy, a sixty (60) day automatic **extended reporting period** will be granted to the **Named Insured** at no charge in which any **claim** reported will be considered as having been made before the termination date of this Policy. Upon **termination of coverage**, the aggregate limit of liability for this automatic **extended reporting period** shall be equal to the amount remaining in this Policy's annual aggregate liability limit.
- C. Within thirty (30) days after termination, the **Company** will notify the **Named Insured**, in writing, of the automatic sixty (60) day **extended reporting period**. The **Company** will also notify the **Named Insured** of the availability of, the premium for, and the importance of purchasing an additional **extended reporting period**. If the **claims-made relationship** has been in effect for one year or more, and if this Policy has been terminated for nonpayment of premium or fraud, the **Company** shall not be required to provide a premium quotation unless requested by the **Insured**.
- D. The **Named Insured** shall have the greater of sixty (60) days from the effective date of **termination of coverage** or thirty (30) days from the date of mailing or delivery of the advice of the availability to purchase additional **extended reporting period** coverage, to submit written acceptance of the **extended reporting period** coverage. The premium for such additional **extended reporting period** must be paid promptly when due. The premium shall be fully earned at the inception of this endorsement.
- E. If the **Named Insured** has been placed in receivership, liquidation or bankruptcy, or permanently ceases operations, then any one qualifying as an **Insured** has the right to an **extended reporting period** coverage issued in the name of the **Named Insured** for the benefit of all **Insureds**. The request for such **extended reporting period** coverage must be made within one hundred and twenty (120) days of the **termination of coverage**.
- F. Only one such **extended reporting period** coverage endorsement shall be issued and the **extended reporting period** for such coverage shall be one year, three years, six years or unlimited. This period includes the automatic sixty (60) day period specified in Item C. above.
- G. The additional premium for the additional **extended reporting period** shall be based upon the rates for such coverage in effect on the date this Policy was issued or last renewed and shall be for one (1) year at 100% of such premium; three (3) years at 175% of such premium; six (6) years at 225% of such premium; or, for an unlimited period at 250% of such premium.



- H. Upon **termination of coverage**:
1. any return premium due the **Named Insured** shall be credited toward the premium for the additional **extended reporting period** coverage if the **Named Insured** elects such coverage.
  2. where premium is due to the **Company** for coverage during the **claims-made relationship**, any monies received by the **Company** from the **Named Insured** as payment for the **extended reporting period** coverage shall first be applied to such premium owing for this Policy.
- I. Limits of liability for such additional **extended reporting period** shall be:
1. at least equal to 100 percent of the policy's annual aggregate limit where a **claims-made relationship** has continued for three years or more; or
  2. if the **claims-made relationship** has continued for less than three years, the limit of liability shall be at least equal to the greater of:
    - a. the amount of coverage remaining in such policy's annual aggregate liability limit, or
    - b. 50 percent of such policy's annual aggregate liability limit.
- J. If an **Insured** dies or becomes **totally and permanently disabled** during the **policy period**, then upon the latter of the expiration of: the **policy period**; any renewal or successive renewal of this Policy; or any automatic or optional **extended reporting period**, the **Insured** shall be provided with a death or disability **extended reporting period** as provided below.
- a. In the event of death, the estate, heirs, executors or administrators of such **Insured** must, provide the **Company** with written proof of the date of death. This **extended reporting period** is provided to the estate, heirs, executors and administrators of such **Insured** until the executor or administrator of the estate of such **Insured** is discharged.
  - b. If an **Insured** becomes **totally and permanently disabled**, such **Insured** or **Insured's** legal guardian must provide the **Company** with written proof that such **Insured** is **totally and permanently disabled**, including the date the disability commenced, certified by the **Insured's** physician. The **Company** retains the right to contest the certification made by the **Insured's** physician, and it is a condition precedent to this coverage that such **Insured** agree to submit to medical examinations by any physician designated by the **Company** at the **Company's** expense. This **extended reporting period** is provided until such **Insured** shall no longer be **totally or permanently disabled** or until the death of such **Insured** in which case subparagraph a. hereof shall apply.
2. No additional premium will be charged for any death or disability **extended reporting period**.
- K. If an **Insured** retires or otherwise voluntarily ceases, permanently and totally, the private practice of law during the **policy period** and has been continuously insured by any lawyers professional liability carrier for at least three consecutive years, then such **Insured** shall be provided with an **extended reporting period** commencing upon the latter of the expiration of: the **policy period**; any renewal or successive renewal of this Policy; or any automatic or optional **extended reporting period**. This **extended reporting period** is provided until such **Insured** shall resume the practice of law or until the death of such **Insured** in which case subparagraph J.1.a. hereof shall apply.
- No additional premium will be charged for any non-practicing **extended reporting period**.
- L. Separate limits of liability for death or disability and non-practicing **extended reporting periods** shall apply as follows:
- a. Limit of Liability - Each "**Claim**"
- Subject to paragraph B. below, the **Company's** limit of liability for each **claim** first made against the **Insured**, and reported to the **Company** during the death or disability **extended reporting period** or



non-practicing **extended reporting period**, shall not exceed the amount stated in the declarations as the "Each **Claim** Death or Disability and Non-Practicing **extended reporting period** limit of liability".

b. Limit of Liability - In the Aggregate

The limit of liability of the **Company** for all **claims** first made against the **Insured**, and reported to the **Company** during the death or disability **extended reporting period** or non-practicing **extended reporting period**, shall not exceed the amount stated in the Declarations as the "Aggregate Death or Disability and Non-Practicing **extended reporting period** limit of liability".

VII. **HEADINGS**

The descriptions in the headings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

IN WITNESS WHEREOF, the **Company** has caused this Policy to be executed by its Chairman and Secretary, but this Policy shall not be binding upon us unless completed by the attachment of the Declarations.

Chairman

Secretary

Thomas F. Motawed

John M. Miller