

## NEW YORK CLAIMS-MADE DISCLOSURE

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### Important Notice to Applicant or Policyholder

**This notice contains important information.**

**This Notice will be physically attached to all applications and liability policy declarations.**

**Please read this notice carefully.**

**This notice applies to any Employment Practices Liability, Financial Institution Professional Liability, Fiduciary Liability, Health Care Organization Directors, Officers and Trustees Liability, Health Care Organization Employment Practices Liability, Managed Care Errors & Omissions Liability, Miscellaneous Professional Liability, Non-Profit Organization Directors and Officers Liability, Private Company Directors and Officers Liability, or Private Partnership Liability coverage.**

1. The liability policy, subject to its terms, applies only to any **Claim** first made against the **Insured** during the **Policy Period** or any applicable Extended Reporting Period. The liability policy, subject to its terms, does not apply to any **Claim** first made against the **Insured** after the **Policy Period** or any applicable Extended Reporting Period or reported after the termination of coverage.
2. The liability policy provides no coverage for **Claims** arising out of incidents, occurrences or alleged **Wrongful Acts** which took place prior to any retroactive date stated in the liability policy.
3. The premium charge for an additional Extended Reporting Period, if purchased, will be stated in the Declarations. The cost for the Extended Reporting Period is based on rates in effect as of the Inception Date.
4. During the first several years of a claims-made relationship, claims made rates are comparatively lower than occurrence rates. The **Named Insured** can expect substantial annual premium increases, independent of overall rate level increases, until the claims made relationship reaches maturity.
5. All coverage for the liability policy ceases upon the liability policy termination date, except for the sixty (60) day automatic Extended Reporting Period, unless an additional Extended Reporting Period is purchased. The minimum Extended Reporting Period, including the automatic Extended Reporting Period, is one year from the liability policy termination date. Potential coverage gaps may arise upon expiration of the Extended Reporting Period. Within thirty (30) days after termination of coverage, the Company will advise the **Named Insured** in writing of the automatic Extended Reporting Period coverage and the availability of, the premium for, and the importance of purchasing additional Extended Reporting Period coverage.
6. The limit of liability contained in the liability policy shall be reduced, and may be completely exhausted, by **Defense Expenses**. The Company shall not be liable for **Defense Expenses** plus the amount of any judgment or settlement exceeding the limit of liability of the liability policy. **Defense Expenses**, however, will be applied against the deductible/retention amount.
7. The **Insured** shall have the option to: (1) select the defense attorney or to consent to the Company's choice of defense attorney, which consent shall not be unreasonably withheld; (2) participate in, and assist in the direction of, the defense of any **Claim**; (3) consent to a settlement, which consent shall not be unreasonably withheld.
8. The **Insured** has the right to obtain, upon written request, an accounting of legal defense costs actually expended in the event of **Claim**.

This notice is for information only and does not become a part or condition of the attached document.