



**THIS IS A CLAIMS-MADE COVERAGE WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY.
PLEASE READ THE POLICY CAREFULLY.**

CONSIDERATION CLAUSE

IN CONSIDERATION of the payment of the premium, in reliance on the statements in the **Application**, subject to the Declarations, and pursuant to all terms, conditions, exclusions, and limitations of this **Policy**, the **Company** and the **Insureds** agree as follows:

I. INSURING AGREEMENT

The **Company** will pay, on behalf of the **Insureds**, **Loss** that the **Insureds** become legally obligated to pay on account of any **Claim** first made against such **Insureds**, individually or otherwise, during the **Policy Period**, or any applicable **Extended Reporting Period**, for a **Wrongful Act** occurring before or during the **Policy Period**.

II. DEFINITIONS

When used in this **Policy**, either in the singular or plural, the following terms have the following meanings:

A. Application means:

1. all signed applications for this **Policy**, or for any policy that this **Policy** renews, replaces, or succeeds in time, including any material submitted with or requested in such applications;
2. all public documents filed by any **Insured** with the Securities and Exchange Commission (SEC), or any similar federal, state, local or foreign regulatory body, during the 24 months preceding the **Policy Period**; and
3. all financial statements of the **Insured Organization** filed with a state department of insurance, or any similar federal, state, local, or foreign regulatory body, during the 24 months preceding the **Policy Period**.

All such applications, materials, and documents are deemed attached to, and incorporated into, this **Policy**.

B. Claim means:

1. a written demand against any **Insured** commenced by the **Insured's** receipt of such demand;
2. a civil or arbitration proceeding against any **Insured** commenced by the service of a complaint, arbitration petition, or similar document; or
3. an administrative or regulatory proceeding against any **Insured** commenced by the receipt of a notice of filed charges, formal investigative order, or similar document,

seeking monetary damages for a **Wrongful Act**, other than monetary damages that solely constitute amounts actually or allegedly payable under a **Contract of Insurance** issued by the **Insured Organization**.

- C. *Claim Handling Services*** means handling, adjusting, or failing to handle or adjust a claim or loss, including:
1. credit or investigatory activities;
 2. rescission or cancellation; or
 3. subrogation or salvage activities,
- under a **Contract of Insurance**.
- D. *Company*** means the insurer that issued this **Policy**, as set forth in the Declarations.
- E. *Contract of Insurance*** means any written agreement, policy, or express or implied contract of:
1. insurance;
 2. reinsurance;
 3. suretyship;
 4. bond;
 5. annuity;
 6. endowment; or
 7. pension,
- including any similar contract, agreement, or binder of any of the foregoing, or any of the foregoing in connection with any self-insurance program, insurance, reinsurance pool, or similar risk transfer, sharing, or retention program.
- F. *Control Person*** means the **Employee(s)** responsible for the receipt of notice on behalf of the **Insureds** of any demand made or claim or suit brought against any **Insured** that includes allegations of bad faith in **Claim Handling Services** or any violation of any unfair claims practices statute or similar law.
- G. *Defense Expenses*** means the reasonable costs, charges, expenses, and fees (including attorney's, expert's, mediator's and arbitrator's fees) incurred in defending or investigating a **Claim**, and the premium for appeal, attachment, or similar bond.
- Defense Expenses** do not include any regular or overtime wages, salaries, or fees of any **Insured Person**.
- H. *Domestic Partner*** means any natural person who qualifies as a domestic partner or party to a civil union under the provisions of any applicable federal, state, local, or foreign law or regulation, or under the provisions of any formal program established by the **Insured Organization**.
- I. *Employee*** means any natural person, other than a **Leased Employee**, who is a past, present, or future employee of the **Insured Organization**, including any part-time, seasonal, or temporary employee, acting in their capacity as such.
- J. *Executive Officer*** means the chief executive officer, chief financial officer, in-house general counsel, or risk manager of the **Insured Organization** (or any functional equivalent position) or the **Control Person**.
- K. *Extended Reporting Period*** means the period of time set forth in ITEM 7 of the Declarations following the effective date of any nonrenewal or termination of the **Policy**.

- L. **Financial Insolvency** means the status of any entity resulting from: (i) the appointment by any state, federal, local, or foreign official, agency, or court of any receiver, conservator, liquidator, trustee, rehabilitator, or similar official, to take control of, supervise, manage, or liquidate such entity; or (ii) such entity becoming a debtor in possession under Chapter 11 of the United States Bankruptcy Code, as amended, or the equivalent of a debtor in possession under any applicable foreign law.
- M. **Health Care Related Services** means:
1. evaluating, or responding to, an evaluation of the professional qualifications or clinical performance of any provider of **Health Care Services**;
 2. communicating, or failing to communicate, information related to: (i) evaluating the professional qualifications or clinical performance of any provider of **Health Care Services**; or (ii) promoting and maintaining the quality of **Health Care Services**; or
 3. carrying out, or failing to carry out, a decision or directive related to: (i) evaluating the professional qualifications or clinical performance of any provider of **Health Care Services**; or (ii) b. promoting and maintaining the quality of **Health Care Services**.
- N. **Health Care Services** means health care or treatment, including:
1. medical, dental, surgical, psychiatric, mental health, chiropractic, holistic, x-ray, nursing, or other professional health care or treatment;
 2. furnishing or dispensing medications, drugs, blood, blood products, tissue, or medical, dental, surgical, or psychiatric equipment, supplies, or appliances used in conjunction with such health care or treatment;
 3. furnishing food and beverages in conjunction with such health care or treatment;
 4. counseling, or other social services, in conjunction with such health care or treatment; or
 5. handling or performing post-mortem procedures on human bodies, including autopsies and harvesting organs.
- O. **Insured** means **Insured Persons** and the **Insured Organization**.
- P. **Insured Organization** means any entity named in ITEM 1 of the Declarations, any **Subsidiary**, and any such entity as a debtor in possession under Chapter 11 of the United States Bankruptcy Code, as amended, or the equivalent of a debtor in possession under any applicable foreign law.
- Q. **Insured Person** means any natural person who was, is, or becomes a duly elected or appointed director of the **Insured Organization, Manager, or Employee** (or any functional equivalent position) and only to the extent that coverage is granted as set forth in ITEM 5 of the Declarations, any **Leased Employee**.
- R. **Leased Employee** means a natural person (other than a duly elected or appointed director of the **Insured Organization, Manager, or Employee**), whose services are leased to the **Insured Organization** to perform work for the **Insured Organization**, and for whom the **Insured Organization** controls the means and manner of the work performed; provided that: (i) any coverage provided under this **Policy** for such **Leased Employee** only applies to the extent that the **Insured Organization** agrees to indemnify such **Leased Employee**; and (ii) any such coverage shall be specifically excess of any other indemnity and insurance otherwise available to the **Leased Employee** from or provided by the entity from which such **Leased Employee** is leased.
- S. **Loss** means the amount of any damages, judgments, settlements, pre-judgment and post-judgment interest, and **Defense Expenses**; provided that with respect to the multiple portion of any multiplied damage award, or punitive or exemplary damages incurred by any **Insured, Loss** only includes such damages to the extent they are insurable under the law of any applicable jurisdiction that is most favorable to the insurability of such damages and has a substantial relationship to the **Insured, the Claim, the Company, or this Policy**.

Loss, other than **Defense Expenses**, does not include:

1. any amount that an **Insured** is absolved from paying;
 2. any amount that constitutes taxes, fines, or penalties, other than punitive, exemplary, or multiplied damages;
 3. any amount that constitutes the cost of complying with any order, grant, or agreement to provide injunctive or non-monetary relief; or
 4. any amount that is uninsurable under the law pursuant to which this **Policy** is construed.
- T. *Manager*** means, with respect to an **Insured Organization** that is a limited liability company, political action committee, or non-profit entity, any natural person who was, is, or becomes: (i) a member of the board of managers, board of governors, management committee, or advisory committee of such **Insured Organization**, or any functional equivalent position; or (ii) a trustee, other than a bankruptcy trustee of a non-profit entity, or any functional equivalent position.
- U. *Named Insured*** means the **Insured Organization** first named in ITEM 1 of the Declarations.
- V. *Policy*** means, collectively, the Declarations, the **Application**, this policy form, and any endorsement thereto.
- W. *Policy Period*** means the period of time set forth in ITEM 2 of the Declarations, subject to prior termination in accordance with section **V. CONDITIONS, N. TERMINATION OF POLICY**.
- X. *Pollutant*** means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes material to be recycled, reconditioned, or reclaimed.
- Y. *Professional Services*** means the following services:
1. **Claim Handling Services;**
 2. safety inspections;
 3. loss control;
 4. safety engineering;
 5. premium financing;
 6. insurance consulting and insurance risk management not related to the compensated sale of a specific type of **Contract of Insurance** or investment product;
 7. actuarial consulting;
 8. personal injury rehabilitation;
 9. notary services; or
 10. 1. through 9. above on behalf of an insurance or reinsurance pool, but only for: (i) a customer or client of such pool, or (ii) an owner or beneficiary of, or an insured under, a **Contract of Insurance** issued by such pool.
- Z. *Related Wrongful Acts*** means all **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, or cause or series of related facts, circumstances, situations, events, transactions, or causes.

AA. Securities Claim means any **Claim** that is, in whole or in part:

1. brought by one or more security holders of the **Insured Organization**, in their capacity as such, including one or more owners of a **Contract of Insurance** in their capacity as an equity owner of the **Insured Organization**; or
2. based upon or arising out of the purchase or sale of, or offer to purchase or sell, equity or debt securities of the **Insured Organization**, whether such purchase, sale, or offer involved a transaction with the **Insured Organization** or occurred in the open market.

BB. Subsidiary means any:

1. entity, other than a limited liability company, joint venture, non-profit entity, or political action committee, if more than 50% of the outstanding securities representing the present right to vote for the election or appointment of directors or officers (or any functional equivalent position) is directly or indirectly owned by any entity named in ITEM 1 of the Declarations;
2. limited liability company, if the present right to elect or appoint more than 50% of its **Managers** is owned or controlled, directly or indirectly, by any entity named in ITEM 1 of the Declarations;
3. joint venture, if: (i) 50% of the outstanding securities representing the present right to vote for the election or appointment of directors or officers (or any functional equivalent position) is directly or indirectly owned by any entity named in ITEM 1 of the Declarations; and (ii) such entity solely controls the management and operation of such joint venture, pursuant to a written agreement with the owner of the remaining outstanding shares; or
4. non-profit entity or political action committee, if the present right to elect or appoint more than 50% of its **Managers** is directly or indirectly owned or controlled by any entity named in ITEM 1 of the Declarations,

on or before the Inception Date set forth in ITEM 2 of the Declarations, or subject to section **V. CONDITIONS, I. ACQUISITIONS**, during the **Policy Period**.

CC. Wrongful Act means any actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty, committed or attempted by or on behalf of any **Insured**, in their capacity as such, in performing, rendering, or failing to perform or render **Professional Services**.

III. EXCLUSIONS

A. EXCLUSIONS APPLICABLE TO ALL LOSS

1. The **Company** will not be liable for **Loss** on account of any **Claim** based upon or arising out of any fact, circumstance, situation, event, **Wrongful Act**, or **Related Wrongful Act** that has been the subject of any written notice given by, or on behalf of, any **Insured** under any policy of insurance that this **Policy** renews, replaces, or succeeds in time.
2. The **Company** will not be liable for **Loss** on account of any **Claim** based upon or arising out of any: (i) prior or pending demand for monetary damages or nonmonetary relief, or civil, criminal, administrative, regulatory, or arbitration proceeding against any **Insured**, as of, or prior to, the applicable Prior or Pending Proceeding Date set forth in ITEM 5 of the Declarations; or (ii) same or substantially similar fact, circumstance, situation, event, **Wrongful Act**, or **Related Wrongful Act** underlying or alleged in such demand or proceeding.
3. The **Company** will not be liable for **Loss** on account of any **Claim** brought or maintained by, or on behalf of, any **Insured** or **Insured Organization**, in any capacity, except:
 - a. a **Claim** brought or maintained by any **Insured Person** for contribution or indemnity, if the **Claim** directly results from another **Claim** covered under this **Policy**; or

- b. a **Claim** brought by an **Insured Person** solely in his or her capacity as an owner, beneficiary, or insured under a **Contract of Insurance** issued by the **Insured Organization** for a **Wrongful Act**; provided that such **Claim** is independently instigated and is not solicited by any other **Insured**.
4. The **Company** will not be liable for **Loss** on account of any **Claim**:
- a. based upon or arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any **Pollutant**;
 - b. based upon or arising out of any request, demand, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, any **Pollutant**; or
 - c. brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, any **Pollutant**,

including any **Claim** based upon or arising out of a **Wrongful Act**, or any position taken by any **Insured** with respect to any coverage provided, or not provided, in connection with the matters described in (a), (b), or (c) above under any **Contract of Insurance**.

5. The **Company** will not be liable for **Loss** on account of any **Claim** based upon or arising out of any **Insured** committing any intentionally dishonest or fraudulent act or omission, or any willful violation of statute; provided this exclusion will not apply to any: (i) **Insured** unless a final adjudication establishes that such **Insured** committed such act, omission, or violation; or (ii) **Claim** based upon or arising out of allegations of bad faith, or both fraud and bad faith in **Claim Handling Services**.
6. The **Company** will not be liable for **Loss** on account of any **Claim** based upon or arising out of any **Insured** gaining any profit, remuneration, or financial advantage to which such **Insured** was not legally entitled; provided that this exclusion will not apply unless a final adjudication establishes that such **Insured** was not legally entitled to gain such profit, remuneration, or financial advantage.
7. The **Company** will not be liable for **Loss** on account of any **Claim** based upon or arising out of a violation of the responsibilities, obligations, or duties imposed upon fiduciaries of any pension, profit sharing, health and welfare or other employee benefit plan, or trust established or maintained for the purpose of providing benefits to **Employees** of the **Insured Organization** by the Employee Retirement Income Security Act of 1974, as amended, or similar provisions of any federal, state, provincial or local statutory law, common law or civil law anywhere in the world.
8. The **Company** will not be liable for **Loss** on account of any **Claim** based upon or arising out of any actual or alleged promise, guarantee, or representation (oral or written) concerning the past performance or future value of any investment product, including an investment product's depreciation or failure to appreciate in value.
9. The **Company** will not be liable for **Loss** on account of any **Claim** if such **Claim** is a **Securities Claim**; provided this exclusion will not apply to any **Claim** brought solely in a claimant's capacity as an owner or beneficiary of, or insured under, any **Contract of Insurance** issued by the **Insured Organization**.
10. The **Company** will not be liable for **Loss** on account of any **Claim** based upon or arising out of:
- a. the adequacy or inadequacy of any claim reserves of the **Insured Organization** or any entity that any **Insured** performs or renders, or fails to perform or render, **Professional Services**;
 - b. **Financial Insolvency** of the **Insured Organization** or any entity for which any **Insured** performs or renders, or fails to perform or render, **Professional Services**; or

- c. **Financial Insolvency** of any insurance or reinsurance entity, insurance agent, insurance broker, insurance intermediary, joint underwriting association, bank, broker-dealer, investment company, or any similar entity in or through which coverage, services, or other products have been recommended, placed, or obtained by any **Insured** for a third party.
11. The **Company** will not be liable for **Loss** on account of any **Claim** brought by, or on behalf of, any reinsurer of the **Insured Organization**; provided that this exclusion shall not apply to a **Claim** brought by a reinsurer in its capacity as an insured under a **Contract of Insurance** issued by the **Insured Organization**.
12. The **Company** will not be liable for **Loss** on account of any **Claim** for an **Insured's** actual or alleged liability under any oral, written, or implied contract or agreement (or any interest thereon), including a **Contract of Insurance** issued by the **Insured Organization**; provided this exclusion shall not apply to: (i) an **Insured's** written contract or agreement to provide **Claims Handling Services** to any party that is not an **Insured** under this **Policy** for compensation; or (ii) the extent that the **Insureds** would have been liable for such **Loss** in the absence of such contract or agreement.
13. The **Company** will not be liable for **Loss** on account of any **Claim** based upon or arising out of any warranty or guarantee (express or implied) or estimate of probable construction costs.
14. The **Company** will not be liable for **Loss** on account of any **Claim** based upon or arising out of any actual or alleged malpractice in providing, rendering, or failing to provide or render, **Health Care Services** or **Health Care Related Services**; provided that this exclusion shall not apply to any **Claim** that results from **Claim Handling Services** in connection with any **Claim** under a **Contract of Insurance**.
15. The **Company** will not be liable for **Loss** on account of any **Claim** based upon or arising out of the administration or management of **Health Care Services** or **Health Care Related Services**; provided that this exclusion shall not apply to:
- a. **Claim Handling Services** in connection with any claim pursuant to workers compensation, employer's liability, medical payments, automobile no fault, uninsured motorists, or underinsured motorist's insurance coverage;
 - b. performing, rendering, or failing to perform or render, any personal rehabilitation services; or
 - c. any actual or alleged wrongful refusal to pay the cost of **Health Care Services** or **Health Care Related Services** that is made in the course of **Claim Handling Services** or **Health Care Related Services** and is not alleged to be the direct cause of any bodily or personal injury, sickness, emotional distress, disease, or death of a person due to the quality of **Health Care Services** or **Health Care Related Services**.
16. The **Company** will not be liable for **Loss** on account of any **Claim** based upon or arising out of disputes concerning premiums, commissions, fees, or compensation charged, including any **Claim** for the return of such premiums, commissions, fees, or compensation; provided this exclusion will not apply to fees or compensation charged in connection with premium financing.
17. The **Company** will not be liable for **Loss** on account of any **Claim** based upon or arising out of any **Wrongful Act** by any entity that is (or was) a **Subsidiary**, or by any **Insured Person** of such entity, that occurred when such entity was not a **Subsidiary**.

IV. SEVERABILITY OF EXCLUSIONS

No conduct of any **Insured Person** will be imputed to any other **Insured Person** to determine the application of exclusions A.5. or A.6. of section **III. EXCLUSIONS**. Conduct of any **Insured Person** will be imputed to the **Insured Organization** to determine the application of exclusions A.5. and A.6. of section **III. EXCLUSIONS**.

V. CONDITIONS

A. LIMIT OF LIABILITY

The Limit of Liability set forth in ITEM 5 of the Declarations is the maximum amount the **Company** will pay under this **Policy**, regardless of the number of **Claims** or **Insureds**, and regardless of when payment is made by the **Company** or when an **Insured's** legal obligation with regard to any **Claim** arises or is established.

The **Company's** maximum liability for all **Loss** on account of **Claims** made during the **Policy Period**, is the Limit of Liability for the **Policy Period** set forth in ITEM 5 of the Declarations.

All **Claims** arising out of the same **Wrongful Act** and all **Related Wrongful Acts** are deemed one **Claim**, and such **Claim** is deemed to be made on the date the earliest of such **Claims** is first made against any **Insured**, regardless of whether such date is before or during the **Policy Period**.

Defense Expenses are part of, and not in addition to, the Limit of Liability set forth in ITEM 5 of the Declarations, and will reduce such Limit of Liability.

The Limit of Liability for any applicable **Extended Reporting Period** is part of, and not in addition to, the Limit of Liability for the **Policy Period**. The purchase of an **Extended Reporting Period** will not increase or reinstate the Limit of Liability set forth in ITEM 5 of the Declarations, which is the maximum Limit of Liability of the **Company** for all **Loss** on account of **Claims** made during the **Policy Period** and **Extended Reporting Period**, combined.

B. RETENTION

The **Company's** liability with respect to **Loss** for each **Claim** applies only to that portion of **Loss** that is excess of the applicable Retention set forth in ITEM 5 of the Declarations. Such Retention will be borne by the **Insured Organization** uninsured, at its own risk, and in satisfaction of **Loss**; provided that the Retention may be funded by amounts recoverable as **Loss** under any reinsurance contract to which the **Insured Organization** is a party or cedant.

C. EXTENDED REPORTING PERIOD COVERAGE

If the **Company** or the **Named Insured** does not renew this **Policy**, or if the **Named Insured** terminates this **Policy**, the **Named Insured** has the right, upon payment of the additional premium described below to elect an extension of coverage granted by this **Policy** for the **Extended Reporting Period**, but only with respect to a **Wrongful Act** otherwise covered under this **Policy** occurring before or during the **Policy Period**. This right will lapse unless the **Named Insured** provides the **Company** written notice of such election and payment of the additional premium due within 60 days following the effective date of such nonrenewal or termination. Any **Claim** made during the **Extended Reporting Period** will be deemed made during the **Policy Period**.

The premium due for the **Extended Reporting Period** will equal the percentage set forth in ITEM 7 of the Declarations of the original annualized premium plus the fully annualized amount of any additional premium charged by the **Company** for or during the **Policy Period**. The entire premium for the **Extended Reporting Period** will be deemed fully earned and non-refundable upon payment.

The **Named Insured** will not be entitled to elect the **Extended Reporting Period** under this section if an extension of coverage is elected pursuant to section **V. CONDITIONS, K. CHANGE OF CONTROL**.

D. NOTICE

As a condition precedent to exercising rights under this **Policy**, the **Insured** must give the **Company** written notice of any **Claim** made against any **Insured** as soon as practicable after any **Executive Officer** of the **Insured Organization** first becomes aware of such **Claim**, but in no event later than: (i) 60 days after expiration of the **Policy Period** in which the **Claim** was first made; or (ii) the expiration of the **Extended Reporting Period**, if exercised.

After the inception date of this **Policy**, or the first primary policy continuously written by the **Company** of which the coverage provided by this **Policy** is a renewal or replacement, and before the end of the **Policy Period**, or any applicable **Extended Reporting Period**, if an **Insured**: (i) becomes aware of any circumstance that could give rise to a **Claim** for a **Wrongful Act** occurring before or during the **Policy Period**; and (ii) gives the **Company** written notice of such circumstance and the other information referenced below during the **Policy Period** or **Extended Reporting Period**, then any **Claim** subsequently arising from such circumstance will be deemed made during the **Policy Period**.

As a condition precedent to exercising rights under this **Policy**, the **Insured** must:

1. include within any notice of **Claim** or circumstance: a description of the **Claim** or circumstance, the nature of the **Wrongful Act**, the nature of the alleged or potential damages, the names of actual or potential claimants, **Insureds**, and entities involved, and a description of how the **Insured** first became aware of such **Claim** or circumstance; and
2. provide the **Company** with other information and cooperation the **Company** may reasonably request.

All notices under this Notice section must be sent via mail, facsimile, email or delivered to the **Company** at the address(es) set forth in ITEM 3 of the Declarations; notice will be deemed received and effective upon the earlier of (i) the actual receipt by the addressee; or (ii) one day following the date such notice is sent.

E. DEFENSE AND SETTLEMENT

The **Company** has no duty under this **Policy** to defend any **Claim**. The **Insureds** have the duty to defend any **Claim** made against them.

The **Insureds** agree not to settle, or offer to settle, any **Claim** or incur any **Defense Expenses** in connection with any **Claim** without the **Company's** written consent. The **Company** is not liable for any settlement or **Defense Expenses** to which it has not consented when such consent is required; provided that if the **Insureds** are able to fully and finally settle or otherwise dispose of any **Claim**, including **Defense Expenses**, for an amount not exceeding the applicable Retention set forth in ITEM 5 of the Declarations, the **Company's** consent will not be required.

The **Insureds** also agree not to assume any contractual obligation, stipulate to any judgment, admit any liability, voluntarily make any payment, confess, or otherwise agree to any damages or judgments with respect to any **Claim** without the **Company's** written consent. The **Company** will not be liable for any such assumed obligation, stipulated judgment, or admission without such written consent.

With respect to any **Claim** submitted for coverage under this **Policy**, the **Company** has the right, and will be given the opportunity to, effectively associate and consult in advance, by the **Insureds** regarding: (i) the selection of appropriate defense counsel; (ii) substantive defense strategies, including decisions regarding the filing and content of substantive motions; and (iii) settlement negotiations.

The **Insureds** agree: (i) to provide the **Company** with all information, assistance, and cooperation that the **Company** reasonably requests; and (ii) in the event of a **Claim**, the **Insureds** will do nothing to prejudice the **Company's** position or its potential or actual rights of subrogation or recovery.

The **Company** may make any investigation it deems necessary.

On a current basis and prior to disposition of a **Claim**, the **Company** will advance on behalf of the **Insureds**, **Defense Expenses** that the **Company** believes are covered under this **Policy** and are incurred in connection with any **Claim** for a **Wrongful Act**, occurring before or during the **Policy Period**, that is made against the **Insured** during the **Policy Period** or any applicable **Extended Reporting Period**; provided that to the extent it is finally established that any advanced **Defense Expenses** are not covered under this **Policy**, the **Insureds**, severally according to their interests, agree to repay the **Company** for such **Defense Expenses**.

The **Company** may, with the written consent of the **Insured**, settle any **Claim** for a monetary amount that the **Company** deems reasonable. If the **Insured Organization** withholds consent to such settlement, the **Company's** liability for all **Loss** arising from such **Claim** will not exceed: (i) the amount for which the **Company** could have settled such **Claim**; plus (ii) **Defense Expenses** incurred as of the date such settlement was proposed in writing by the **Company** to the **Insured Organization**.

The **Company** and the **Insureds** will not unreasonably withhold any consent referenced in this Defense and Settlement section.

The **Company** shall have the right to appeal any judgment with respect to any **Claim** covered, in whole or in part, by this **Policy** and the expense of appealing such judgment shall be part of the **Defense Expenses**.

F. ALLOCATION

If, in any **Claim**, any **Insured** either: (i) incurs **Loss** jointly with others; or (ii) incurs both **Loss** covered by this **Policy** and loss not covered by this **Policy** because the **Claim** includes both covered and uncovered matters, then the **Insureds** and the **Company** will allocate such amount between **Loss** and uncovered loss based upon the relative legal exposures of the parties.

For that part of **Loss** consisting of **Defense Expenses**, if the parties agree on an allocation of **Defense Expenses**, then the **Company**, on a current basis and prior to disposition of the **Claim**, will advance **Defense Expenses** allocated to **Loss**. If there is no agreement on the allocation of **Defense Expenses**, the **Company**, on a current basis and prior to disposition of the **Claim**, will advance **Defense Expenses** that the **Company** believes are covered under this **Policy** until a different allocation is negotiated, arbitrated, or judicially determined. As a condition of any advancement of **Defense Expenses**, the **Company** may require a written undertaking on terms and conditions satisfactory to the **Company**, guaranteeing the repayment of any **Defense Expenses** paid to, or on behalf of, any **Insured** if it is finally determined that any such **Claim**, or portion of **Claim**, is not covered under this **Policy**.

Any negotiated, arbitrated, or judicially determined allocation of **Defense Expenses** in connection with a **Claim** will apply retroactively to all **Defense Expenses** in connection with such **Claim**, notwithstanding any prior advancement to the contrary. Any allocation or advancement of **Defense Expenses** in connection with a **Claim** will not apply to, or create any presumption with respect to, the allocation of other **Loss** for such **Claim** or any other **Claim**.

G. OTHER INSURANCE

If **Loss** arising from any **Claim** made against any **Insured** is insured under any valid and collectible other insurance (prior or current), then this **Policy** covers such **Loss** only to the extent that the amount of such **Loss** is in excess of the amount of such other insurance, regardless of whether such other insurance is stated to be primary, contributory, excess, contingent, or otherwise, unless such other insurance is written as specific excess insurance over the Limit of Liability set forth in ITEM 5 of the Declarations; provided that coverage under this **Policy** will be primary to any reinsurance to which the **Insured Organization** is a party or a cedant.

H. ESTATES, LEGAL REPRESENTATIVES, AND SPOUSAL LIABILITY COVERAGE

Subject to the applicable Insuring Agreement, this **Policy** will afford coverage for **Claims** for **Wrongful Acts** of any **Insured Person** made against:

1. any estate, heir, legal representative, or assignee of the **Insured Person** in the event of death, incapacity, insolvency, or bankruptcy of such **Insured Person**; or
2. the **Insured Person's** lawful spouse or **Domestic Partner** solely because of their legal status as a spouse or **Domestic Partner**, or because of their ownership interest in property that the claimant seeks as recovery for alleged **Wrongful Acts** of the **Insured Person**.

All loss that such estate, heir, legal representative, assignee, spouse, or **Domestic Partner** becomes legally obligated to pay for such **Claim** will be treated as **Loss** that the **Insured Person** becomes legally obligated to pay for the **Claim** made against the **Insured Person**. The coverage afforded by this section does not apply to the extent the **Claim** alleges any wrongful act or omission by the estate, heir, legal representative, assignee, spouse, or **Domestic Partner** of the **Insured Person**.

I. ACQUISITIONS

If, during the **Policy Period**, the **Insured Organization**: (i) acquires securities in, or creates, another entity, that as a result of such acquisition or creation becomes a **Subsidiary**; or (ii) acquires any entity by merger or consolidation with the **Insured Organization**, then such created or acquired entity and its **Insured Persons** will be covered under this **Policy** as follows:

1. If the total assets of any such entity are less than 30% of the total assets of all **Insured Organizations**, as reflected in the **Insured Organizations**' most recent financial statements as of the inception of the **Policy Period**, such entity and its **Insured Persons** will be covered automatically under this **Policy**, but only with respect to **Wrongful Acts** occurring after such acquisition or creation, unless the **Company** agrees after presentation of a complete **Application** and all appropriate information to provide coverage by endorsement for **Wrongful Acts** occurring prior to such acquisition or creation.
2. With respect to all other creations or acquisitions, such entity and its **Insured Persons** will be covered automatically under this **Policy**, but only for the lesser of the remainder of the **Policy Period** or 90 days, following the effective date of such acquisition or creation (Automatic Coverage Period), and only with respect to **Wrongful Acts** occurring after such acquisition or creation. As a condition precedent to further coverage with respect to such entity and its **Insured Persons** after such Automatic Coverage Period, the **Named Insured** must give written notice of such acquisition or creation to the **Company** as soon as practicable, but in no event later than 60 days following the effective date of such acquisition or creation, and must promptly provide the **Company** such information as the **Company** may request. Upon receipt of such notice and other information, the **Company** will provide the **Named Insured** a quotation for coverage under this **Policy** for such entity and its **Insured Persons** for the remainder of the **Policy Period**. If the **Named Insured** fails to comply with such condition precedent, or if within 60 days following receipt of such quotation the **Named Insured** fails to pay any additional premium or fails to agree to any additional coverage terms, conditions, exclusions or limitations set forth in such quotation, coverage otherwise afforded by this Acquisitions section for such entity and its **Insured Persons** will terminate upon expiration of such Automatic Coverage Period.

J. CESSATION OF SUBSIDIARIES

If, before or during the **Policy Period**, an entity ceases to be a **Subsidiary**, coverage with respect to such **Subsidiary** and its **Insured Persons** will continue until termination of this **Policy**, but only with respect to **Claims** for **Wrongful Acts** occurring during the time that such entity was a **Subsidiary**.

K. CHANGE OF CONTROL

If, during the **Policy Period**:

- a. the **Named Insured** merges into or consolidates with another entity such that the **Named Insured** is not the surviving entity;
- b. another entity, person, group of entities, or group of persons acting in concert acquire(s) securities or voting rights that result in ownership or voting control of more than 50% of the outstanding securities representing the present right to vote for the election or appointment of directors, officers, or **Managers** of the **Named Insured**, or any functional equivalent position; or
- c. any governmental agency or regulator is appointed as conservator, rehabilitator, receiver, or legal custodian of the **Named Insured**,

then coverage under this **Policy** will continue until termination of this **Policy**, but only with respect to **Claims** for **Wrongful Acts** occurring prior to such merger, consolidation, or acquisition. As of the effective date of such merger, consolidation or acquisition, all premiums paid or due at any time under this **Policy** are deemed fully earned and non-refundable.

The **Named Insured** must give written notice of such merger, consolidation, or acquisition to the **Company** as soon as practicable together with any information the **Company** requests. Upon receipt of such notice and information and at the request of the **Named Insured**, the **Company** will provide to the **Named Insured** a quotation for a six-year (or such lesser period as may be negotiated with the **Company**) extension of coverage from such merger, consolidation, or acquisition date with respect to **Claims** for **Wrongful Acts** occurring prior to such merger, consolidation, or acquisition. Any coverage extension pursuant to such quotation will be conditioned upon the **Named Insured** completing the following acts within 60 days after receipt of such quotation:

1. provide written notice to the **Company** of the **Named Insured's** desire to elect such coverage extension;
2. pay any additional premium required by the **Company**, which is deemed fully earned upon inception of such coverage extension; and
3. accept any additional terms, conditions, exclusions, and limitations required by the **Company**.

Such coverage extension will not increase or reinstate the Limit of Liability set forth in ITEM 5 of the Declarations. The Limit of Liability for such coverage extension will be part of, and not in addition to, the Limit of Liability for the **Policy Period**; any additional premium required under this section will be deemed fully earned upon inception of such coverage extension.

The **Insureds** are not entitled to elect an extension of coverage under this section if an **Extended Reporting Period** is elected pursuant to section **V. CONDITIONS, C. EXTENDED REPORTING PERIOD COVERAGE**.

L. REPRESENTATIONS AND SEVERABILITY

In consideration of issuing this **Policy**, the **Company** has relied upon the statements and representations in the **Application**. The **Insureds** represent and agree that all such statements and representations are true and accurate, and are the basis of the **Policy**. This **Policy** is issued in reliance upon the truth of all such statements and representations.

With respect to all statements and representations contained in the **Application**, no knowledge possessed by any one **Insured Person** will be imputed to any other **Insured Person**.

The **Insureds** agree that in the event any such statements or representations in the **Application** are untrue or inaccurate and materially affect either the acceptance of the risk or the hazard assumed by the **Company**, then coverage under this **Policy** will be void with respect to the following **Insureds**:

- a. any **Insured Person** who knew the information that was not truthfully or accurately disclosed in the **Application**;
- b. the **Insured Organization** to the extent it indemnifies any **Insured Person** referenced in a. above; and
- c. the **Insured Organization** if any **Executive Officer** knew the information that was not truthfully or accurately disclosed in the **Application**,

regardless of whether such **Insured** or **Executive Officer** knew that the **Application** contained such untruthful or inaccurate information.

M. TERRITORY AND VALUATION

Where legally permissible, coverage under this **Policy** extends to **Wrongful Acts** occurring, or **Claims** made, anywhere in the world.

If the laws or regulations of any country or jurisdiction outside of the United States (including any U.S. territory, possession or protectorate) prohibit the **Company** from paying on behalf of an **Insured** any **Loss** covered under this **Policy**, such **Insured** may pay such **Loss**, with the **Company's** written consent. If the **Insured** provides the **Company** with proof of payment for such **Loss**, the **Company** will reimburse either such **Insured** or the **Named Insured** for such **Loss**, where legally permissible, subject to all applicable terms, conditions, exclusions, and limitations of this **Policy**.

All premiums, Limit of Liability, Retention, **Loss**, and other amounts under this **Policy** are expressed and payable in the currency of the United States. If a judgment is rendered, settlement is denominated, or another element of **Loss** under this **Policy** is stated in a currency other than United States dollars, payment under this **Policy** will be made in United States dollars at the rate of exchange published in The Wall Street Journal on the date the final judgment is reached, the amount of the settlement is agreed upon, or any other element of **Loss** is due, respectively.

N. TERMINATION OF POLICY

This **Policy** terminates at the earliest of the following times:

1. the effective date of termination specified in a prior written notice by the **Named Insured** to the **Company**; provided this **Policy** may not be terminated after the effective date of any merger, consolidation, or acquisition of the **Named Insured** as described in section **V. CONDITIONS, K. CHANGE OF CONTROL**;
2. upon expiration of the **Policy Period** set forth in ITEM 2 of the Declarations;
3. 20 days after receipt by the **Named Insured** of a written notice of termination from the **Company** for failure to pay a premium when due, unless the premium is paid within such 20 day period; or
4. at such other time as may be agreed upon by the **Company** and the **Named Insured**.

The **Company** may not terminate this **Policy** prior to expiration of the **Policy Period**, except as provided above for non-payment of premium. The **Company** will refund any unearned premium computed pro rata. Payment or tender of any unearned premium by the **Company** is not a condition precedent to the effectiveness of such termination, but such payment must be made as soon as practicable.

O. SUBROGATION

In the event of payment under this **Policy**, the **Company** will be subrogated to all of the **Insureds'** rights of recovery against any person or entity, including the **Insured Persons'** rights to indemnification or advancement from any entity, to the extent of such payment; the **Insured** must execute and deliver instruments and papers and do all that is necessary to secure such rights. The **Insured** must do nothing to prejudice such rights.

P. RECOVERY

The **Company** will not exercise its rights of recovery against any **Insured**, unless there is a final adjudication adverse to the **Insured** in any proceeding other than a proceeding initiated by the **Company** establishing that: (i) such **Insured** committed a deliberately fraudulent act or omission, or a willful violation of any law or regulation; or (ii) such **Insured** gained any profit, remuneration or financial advantage to which that **Insured** was not legally entitled.

Q. BANKRUPTCY

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

In the event a liquidation or reorganization proceeding is commenced by or against an **Insured Organization** pursuant to the U.S. Bankruptcy Code, as amended, or any similar state, local, or foreign law, and there is **Loss** arising from a covered **Claim** for which payment is due under the provisions of this **Policy**, the **Insureds** must:

1. make a request to waive and release any automatic stay or injunction that may apply to this **Policy**, or its proceeds in such proceeding, to the extent permitted under the applicable law; and
2. agree not to oppose or object to any efforts by the **Company**, or any **Insured**, to obtain relief from any such stay or injunction.

R. ACTION AGAINST THE COMPANY

No action will lie against the **Company** unless, as a condition precedent, there has been full compliance with all the provisions of this **Policy**. No person or entity will have any right under this **Policy** to join the **Company** as a party to an action against an **Insured** to determine such **Insured's** liability, nor may the **Company** be impleaded by any **Insured** or their legal representative.

S. AUTHORIZATION

By accepting this **Policy**, the **Named Insured** agrees to act on behalf of all **Insureds** with respect to providing and receiving notices of **Claim**, termination, nonrenewal, change of coverage, and the payment and return of premiums due under this **Policy**, and each **Insured** agrees that they have, individually and collectively, delegated such authority exclusively to the **Named Insured**; provided that nothing in this section relieves any **Insured** from providing notice to the **Company** required under this **Policy**.

T. ALTERATION AND ASSIGNMENT

No change in, modification of, or assignment of interest under this **Policy** will be effective except when made by the **Company** by written endorsement to this **Policy**.

Specimen