

COMMERCIAL PROFESSIONAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under SECTION III – WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION VI – DEFINITIONS.

SECTION I – COVERAGE

1. Insuring Agreement

We will pay those sums that the insured becomes legally obligated to pay as damages because of injury as a result of a "wrongful act" which occurs during the "policy period". The "wrongful act" must have taken place in the "coverage territory". We will have the right and duty to defend any "suit" seeking those damages. But:

- a) The amount we will pay for damages is limited as described in SECTION IV – LIMITS OF INSURANCE.
- b) We may investigate and settle any claim or "suit" at our discretion; and
- c) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

2. Exclusions.

This insurance does not apply to:

- a) any dishonest, fraudulent, criminal or malicious act or omission of any insured or "employee";
- b) the conduct of any business enterprise owned by any insured or which is controlled, operated or managed by the insured either individually or in a fiduciary capacity, including the ownership, maintenance or use of any property other than in connection with the normal and usual professional services covered by this insurance;
- c) actions for libel, slander, invasion of privacy, assault and battery or conversion;
- d) liability arising out of the ownership, maintenance, operation, use, loading or unloading of any vehicle, watercraft or aircraft;
- e) liability of others assumed by any insured under any contract or agreement, either oral or in writing, unless added to this policy by endorsement;
- f) any obligation of the insured under worker's compensation, unemployment compensation or disability benefits law, or under any similar law;
- g) injury to, or sickness, disease or death of any "employee" of the insured arising out of, and in the course of the employment by the insured or to the spouse, child, parent, brother or sister of the "employee" as a consequence thereof;
- h) any loss or claim either directly or indirectly arising from any insured's activities as an officer or director of any corporation, company or business other than that of yours;
- i) any loss or claim based upon or arising out of the Securities Act of 1933 or the Securities Exchange Act of 1934 or any amendment thereof or addition thereto or any State Securities Act (also known as "Blue Sky Laws") or amendments thereof or additions thereto;

- j) any loss arising from the practice of Admiralty Law;
- k) any claim for punitive or exemplary damages whether arising out of acts of insureds, or any other person;
- l) claims for or arising out of the infringement of any copyright or trademark or patent;
- m) injury caused by a person while under the influence of intoxicants or narcotics;
- n) expenses incurred by any insured or insured's "employee" for first aid at the time of an accident;
- o) property owned, occupied or used by, rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by:
 - 1) another "employee" of yours or
 - 2) any other insured;
- p) any loss or claim arising out of the act or failure to act of physicians or surgeons.

SECTION II – SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim or "suit" we defend:

1. All expenses we incur.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
3. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$100 a day because of time off from work.
4. All costs taxed against the insured in the "suit".
5. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the Limits of Insurance.

SECTION III – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c) An organization other than a partnership or joint venture, you are an insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
2. Each of the following is also an "insured":
 - a) Your "employees", other than your executive officers, but only for "wrongful acts" within the scope of their employment by you. However, none of these "employees" is an insured for a "wrongful act" to you or to a co-"employee" while in the course of his or her employment.

SECTION IV – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a) Insureds;
 - b) Claims made or “suits” brought; or
 - c) Persons or organizations making claims or brings “suits”.
2. The Aggregate Limit is the most we will pay for all damages to which this insurance applies.
3. The Each Claim Limit is the most we will pay because of injury arising out of one “wrongful act”.

The limits of the Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance of an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION V – CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured’s estate will not relieve us of our obligation under this Coverage Part.

2. Duties in the Event of a “Wrongful Act”, Claim or Suit.

- a) You must see to it that we are notified promptly of a “wrongful act” which may result in a claim. Notice should include:
 - 1) How, when and where the “wrongful act” took place; and
 - 2) The names and addresses of any injured persons and witnesses.
- b) If a claim is made or “suit” is brought against any insured, you must see to it that we receive prompt written notice of the claim or “suit”.
- c) You and any other involved insured must:
 - 1) Immediately send us copies of any demands, notices, summons or legal papers received in connection with the claim or “suit”;
 - 2) Authorize us to obtain records and other information;
 - 3) Cooperate with us in the investigation, settlement or defense of the claim or “suit”, and;
 - 4) Assist us, upon our request, in the person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d) No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

- a) To join us as a part or otherwise bring us into a “suit” asking for damages from an insured; or
- b) To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover, our obligations are limited as follows:

a) Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b) Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis.

When this insurance is excess, we will have no duty to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- 1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- 2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this excess insurance provision and was not brought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c) Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurance.

5. Premium Audit

a) We will compute all premiums for this Coverage Part in accordance with our rates.

b) Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.

- c) The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a) The statements in the Declarations are accurate and complete;
- b) Those statements are based upon representations you made to us; and
- c) We have issued this policy in reliance upon your representations.

7. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights and duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a) As if each Named Insured were the only Named Insured; and
- b) Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. Limitation of Coverage Under Any Other Liability Insuring Agreement

Except as stated in the Coverage Part, this policy does not apply to injury caused by any "wrongful act".

SECTION VI – DEFINITIONS

1. "Wrongful act" means any negligent act, error or omission in the rendering or failure to render professional services of the type described in the declarations whether committed by the insured or by any "employee" of the insured within the scope of their duties as such for whom the insured is legally responsible. Any such act, errors or omissions in the furnishings of such services to any one person shall be considered one "wrongful act".
2. "Suit" means a civil proceeding in which damages to which this insurance applies are alleged. "Suit" includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent.
3. "Coverage Territory" means:
 - a) The United States of America (including its territories and possessions), Puerto Rico, and Canada;
 - b) International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above.
4. "Policy Period" means the period of time shown in the Declarations.

5. "Employee" means any person employed by, loaned to or volunteering services to an insured.