



SERVICE OF SUIT

Named Insured:

Policy Number:

Effective Date:

Endorsement No: 001

It is hereby understood and agreed that *Ascot Specialty Insurance Company* may be sued upon any cause of action arising under any insurance contract made by *Ascot Specialty Insurance Company* or evidence of insurance issued or delivered by the producer, in the courts for the county(s) where the insurance provides coverage or in the courts of New York, New York where the insurer maintains its home office.

It is further agreed that service of process in such suit may be made upon the appropriate person at the state Department of Insurance, Secretary of State or other designee as provided for in specific state laws and/or regulations.

When service of process is made upon a statutory designee according to state law, such process should be provided via certified mail to:

**Jeff Sipos, General Counsel
Ascot Specialty Insurance Company
55 W. 46th Street
New York, NY 10036**

The above-named individual is authorized and directed to accept service of process on our behalf in any suit. It is further agreed that in any suit instituted against any Insured under this policy or otherwise upon this policy, we will abide by the final decision of such court or of any appellate court in the event of an appeal.

THIS IS A CLAIMS-MADE AND REPORTED POLICY. SUBJECT TO ITS TERMS AND CONDITIONS, THIS POLICY ONLY COVERS **CLAIMS** FIRST MADE AGAINST THE **INSURED** DURING THE **POLICY PERIOD** OR **EXTENDED REPORTING PERIOD**, IF APPLICABLE, AND REPORTED TO THE INSURER IN WRITING DURING THE **POLICY PERIOD**, BUT IN NO EVENT LATER THAN THIRTY (30) DAYS AFTER EXPIRATION OR TERMINATION OF THIS POLICY, OR DURING THE **EXTENDED REPORTING PERIOD**, IF APPLICABLE. **CLAIMS EXPENSES** ARE INCLUDED WITHIN, AND WILL REDUCE, AND MAY COMPLETELY EXHAUST, THE LIMITS OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY, AND CONSULT WITH YOUR BROKER/AGENT OR OTHER PROFESSIONAL ADVISOR TO THE EXTENT YOU DO NOT UNDERSTAND ANY TERMS OR CONDITIONS OF THIS POLICY.

WORDS THAT APPEAR IN BOLD PRINT HAVE SPECIAL MEANINGS AND ARE DEFINED SEPARATELY. WHENEVER A SINGULAR FORM OF A WORD IS USED, THE SAME WILL INCLUDE THE PLURAL WHEN REQUIRED BY CONTEXT.

In consideration of the payment of the premium, and in reliance upon the **Application** which shall be the basis of this Policy and deemed to be incorporated herein, and subject to all the terms and conditions of this Policy, the Insurer and the **Insured** agree as follows:

I. INSURING AGREEMENT

The Insurer shall pay on behalf of the **Insured** all sums in excess of the Deductible set forth in Item 4 of the Declarations which the **Insured** shall become legally obligated to pay as **Damages** and **Claims Expenses** resulting from **Claims** first made against the **Insured** during the **Policy Period**, or **Extended Reporting Period**, if applicable, for a **Wrongful Act** by an **Insured**, provided that:

- A. The **Wrongful Act** was first committed on or after the **Retroactive Date** and before the expiration of the **Policy Period**;
- B. No **Insured** gave notice to any prior insurer of such **Wrongful Act**;
- C. The **Insured** reported such **Claim** in writing to the Insurer, as soon as practicable, during the **Policy Period**, but in no event later than thirty (30) days after expiration of the **Policy Period**, or during the **Extended Reporting Period**, if applicable;
- D. Prior to the Inception Date set forth in Item 2.(A) of the Declarations, no **Insured** knew or could have reasonably foreseen that such **Wrongful Act** might give rise to a **Claim**; and
- E. There is no other policy or policies which provide insurance for such **Wrongful Act**.

II. EXTENSIONS OF COVERAGE

Subject to all other terms and conditions of this Policy, the following Extensions of Coverage shall apply:

A. Deductible Waiver

If the Insurer receives written notice of a **Claim** from the **Insured**, and the Insurer, at its sole discretion, incurs **Claim Expenses** to undertake measures to avoid any **Damages** as a result of the reported **Wrongful Act**, Insurer will waive the applicable Deductible and the Deductible will not have to be paid by the **Insured**.

However, the Deductible will not be waived, and will always be paid by the **Insured**, if the Deductible set forth in Item 4. of the Declarations is \$25,000 or greater, or a lawsuit is filed, or if arbitration hearings are begun, or if any **Damages** are paid in any settlement or judgement.

B. Consumer Financial Protection Bureau (CFPB) Reimbursement of Expenses

- 1) The Insurer shall reimburse the **Insured** for reasonable and necessary attorney's fees and costs incurred in responding to a **CFPB Matter** first commenced against an **Insured**, during the **Policy Period** and reported to the Insurer prior to the end of the **Policy Period** or any **Extended Reporting Period**, if applicable, provided that the **CFPB Matter** arises out of a **Wrongful Act** committed on or subsequent to the **Retroactive Date** as set forth under Item 5. of the Declarations for this Policy.
- 2) The maximum payment by the Insurer pursuant to this Section **II. Extensions of Coverage, B.**, shall be \$100,000 in the aggregate regardless of the number of **CFPB Matters** or the number of **Insureds**.
- 3) Pursuant to this Section **II. Extensions of Coverage, B.:**
 - (a) The Deductible, as set forth under Item 4. of the Declarations for this Policy, shall apply to any reimbursement of expense provided by this Endorsement;
 - (b) Payments made by the Insurer under this Endorsement will be included in the applicable Limit of Liability for Each **Claim** set forth in Item 3.(A) of the Declarations and not in addition thereto; and
 - (c) The Insurer shall not pay any amount until the conclusion of the **CFPB Matter** and payment shall only be made if such **CFPB Matter** has not resulted in a **Negative Outcome** for the **Insured**.

C. Negligent Failure to Prevent Dishonest Conduct

- 1) The Insurer shall reimburse the **Insured** for **Damages** and **Claims Expenses** resulting from a **Claim** first made against the **Insured** and reported to the Insurer during the **Policy Period**, or **Extended Reporting Period**, if applicable, for a **Wrongful Act** and alleging that:
 - (a) An **Insured** negligently failed to detect or prevent any **Dishonest Conduct** by any known or unknown non-insured; or
 - (b) An **Insured** facilitated or allowed **Dishonest Conduct** by negligently providing access to a computer network, voice mail system, email account, stationary, or information; provided that the **Claim** alleges a **Wrongful Act** that occurred on or subsequent to the **Retroactive Date** and that no **Insured** personally engaged in or knowingly acquiesced to the alleged **Dishonest Conduct**.
- 2) The maximum payment, including both reimbursement of **Damages** and **Claims Expenses**, by the Insurer pursuant to this Section **II. Extensions of Coverage, C.**, shall be \$25,000 regardless of the number of **Insureds** involved, **Claims** made, number of **Wrongful Acts**, or instances of **Dishonest Conduct**.
- 3) Pursuant to this Section **II. Extensions of Coverage, C.:**
 - (a) The Insurer will only reimburse amounts in excess of the Deductible set forth under Item 4. of the Declarations;
 - (b) Payments made by the Insurer shall reduce the Maximum Policy Aggregate set forth in Item 3.(B) of the Declarations; and
 - (c) The Insurer shall not pay any amount until the conclusion of the **Claim** and payment shall be made only if it is established by judgment or stipulation that the **Insured** did not personally engage in or knowingly acquiesce to any **Dishonest Conduct**.

D. Disciplinary Proceedings

- 1) In addition to the Limit of Liability, the Insurer shall reimburse the **Insured** solely for reasonable and necessary attorney's fees and costs incurred in responding to a **Disciplinary Proceeding** first commenced against an **Insured** and reported to the Insurer during the **Policy Period** or during the **Extended Reporting Period**, if applicable.
- 2) The maximum payment by the Insurer pursuant to this Section **II. Extensions of Coverage, D.**, shall be \$3,500 for Each **Disciplinary Proceeding**, subject to a Policy maximum of \$10,000, regardless of the number of **Disciplinary Proceedings**.
- 3) Pursuant to this Section **II. Extensions of Coverage, D.**:
 - (a) No payments made by the Insurer shall apply to the Deductible;
 - (b) Payments made by the Insurer do not reduce the applicable Limit of Liability for Each **Claim** set forth in Item 3.(A) of the Declarations; and
 - (c) The Insurer shall not pay any amount until the conclusion of the **Disciplinary Proceeding** and payment shall only be made if such **Disciplinary Proceeding** has not resulted in the suspension or revocation of the **Insured's** license.

E. Subpoena Compliance

- 1) In addition to the Limit of Liability, the Insurer shall pay reasonable attorney's fees and costs, subject to Section **VI. Defense, Consent, and Settlement**, in connection with the receipt of a subpoena, other than a **CFPB Matter**, by the **Insured** during the **Policy Period** or during the **Extended Reporting Period**, if applicable, for document production or representation in giving sworn testimony related to **Professional Services**, which is issued in connection with a lawsuit in which the **Insured** is not party.
- 2) The maximum payment by the Insurer pursuant to this Section **II. Extensions of Coverage, E.**, shall be \$10,000 for each **Insured** solely in connection with **Professional Services** rendered by such **Insured**, subject to a Policy maximum of \$10,000, regardless of the number of subpoenas.
- 3) Pursuant to this Section **II. Extensions of Coverage, E.**, no payments made by the Insurer shall apply to the Deductibles and payments made by the Insurer will not reduce the applicable Limit of Liability for Each **Claim** set forth in Item 3.(A) of the Declarations.

F. Reimbursement of Expenses Coverage

If the Insurer requests that the **Insured** attend hearings, depositions or trials to defend a **Claim**, the Insurer shall reimburse the **Insured's** actual loss of earnings and reasonable expenses due to such attendance up to \$500 per day. The maximum payment by the Insurer pursuant to this Section **II. Extensions of Coverage, F.**, shall be \$10,000 for each **Claim**, subject to a Policy maximum of \$10,000 regardless of the number of **Claims**.

III. DEFINITIONS

- A. **Application** means all signed applications, including attachments and other materials submitted therewith or referenced or incorporated therein, submitted by or on behalf of the **Insured** to the Insurer for this Policy or for any policy of which this Policy is a direct or indirect renewal or replacement. All such applications, attachments and materials are deemed attached to, incorporated into and made a part of this Policy.
- B. **CFPB** means the Consumer Financial Protection Bureau pursuant to Section X of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 13.76 (2010) (codified at 12 U.S.C. 5301) (hereinafter, the "Act").

C. CFPB Matter means:

- 1) A subpoena issued upon an **Insured** by the **CFPB**, pursuant to Section 1052 of the Act, for attendance, testimony of witnesses or production of documents or other materials;
- 2) A civil investigative demand, issued pursuant to Section 1052 of the Act, received by an **Insured** from the **CFPB**;
- 3) A hearing or adjudication proceeding with respect to an **Insured** conducted by the **CFPB** pursuant to Section 1053 of the Act; or
- 4) Any civil action commenced pursuant to Section 1054 of the Act by the **CFPB** against an **Insured**, including any appeal therefrom.

D. Claim means a demand for **Damages** or services received by an **Insured** alleging a **Wrongful Act**. **Claim** does not include a demand for non-monetary or injunctive relief or any criminal proceeding.

E. Claims Expenses means reasonable and necessary fees, costs and expenses incurred by the Insurer, or by the **Insured** with the prior written consent of the Insurer, consisting of fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, including the cost of appeal bonds, however, the Insurer shall not be obligated to apply for or furnish appeal bonds. **Claims Expenses** do not include salary charges, wages or expenses of partners, principals, officers, directors, members or employees of the **Insured** or the Insurer.

F. Controlling Interest means when an **Insured** or a member of an **Insured's Immediate Family**, or any entity other than the **Named Insured**, directly or indirectly:

- 1) Owns 10% or more of an interest in the entity;
- 2) Votes 10% or more of the issued and outstanding voting stock in the entity;
- 3) Elects 10% or more of the directors of an incorporated entity;
- 4) Receives 10% or more of the profits of the entity; or
- 5) Acts as general partner of a limited partnership, managing general partner of a general partnership, or comparable position in any other business enterprise.

G. Damages means a compensatory monetary amount for which an **Insured** may be held legally liable, including judgments, awards, or settlements negotiated with the prior approval of the Insurer, provided that **Damages** shall not include:

- 1) Commissions, fees, charges, entitlements, compensation, costs or expenses paid to or charged by an **Insured**, no matter whether claimed as disgorgement or restitution of specific funds, forfeiture, financial loss, setoff or otherwise, and injuries that are a consequence of any of the foregoing;
- 2) Money, assets, securities, negotiable instruments, property, or legal documents that any **Insured** has access to, or is in their possession, but refuses to pay to any third party for any reason;
- 3) Any amounts credited to any **Insured's** account;
- 4) Fines, sanctions, taxes, penalties or awards deemed uninsurable pursuant to any applicable law;
- 5) Punitive, exemplary, treble damages or any other damages resulting from the multiplication of compensatory damages;
- 6) Equitable relief, or fees, costs or expenses incurred by an **Insured** to comply with any such equitable relief; or
- 7) Any amount or portion of any **Claim** that any **Insured** has agreed to pay to or reimburse any title insurer including, but not limited to, any amount that any **Insured** has agreed to pay under a title agency contract without the Insurer's written consent.

H. Disciplinary Proceeding means any proceeding commenced by a regulatory or disciplinary official, board or agency with the authority to regulate **Professional Services**, and whose

obligation is to investigate charges of professional misconduct arising solely from the rendering of or failure to render **Professional Services**.

- I. **Dishonest Conduct** means any dishonest, fraudulent, malicious, criminal, or intentionally wrongful conduct, acts, error or omissions, including but not limited to any misappropriation, conversion, embezzlement, intentional commingling, theft, theft by deception, identity theft, intentional misuse of confidential information, unauthorized access to a computer network, and intentional misrepresentation.
- J. **Extended Reporting Period** means the applicable period of time after the expiration or termination of the **Policy Period** for reporting **Claims** arising out of **Wrongful Acts** committed prior to the expiration of the **Policy Period** and on or subsequent to the **Retroactive Date**, and otherwise covered by this Policy.
- K. **Fungi** means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by **Fungi**.
- L. **Immediate Family** means:
 - 1) The **Insured**; or
 - 2) The **Insured's**:
 - (a) Spouse;
 - (b) Parent(s), adoptive parent(s) or step-parent(s);
 - (c) Sibling(s) or step-sibling(s); or
 - (d) Child(ren), adoptive child(ren) or step-child(ren).
- M. **Insured** means:
 - 1) The **Named Insured**;
 - 2) Any past, present or future director, officer, partner, or employee of a **Named Insured**, solely in connection with the rendering of or failure to render **Professional Services** on behalf of the **Named Insured**;
 - 3) Any other individual or entity who is employed or retained by the **Named Insured** as an independent contractor, solely in connection with the rendering of or failure to render **Professional Services** on behalf of the **Named Insured**; provided always that the independent contractor does not constitute an **Insured** if another policy affords coverage for the provision of **Professional Services**, in any amount, regardless of whether such insurance is sufficient to cover the **Damages** sustained and regardless of whether notice or conditions necessary to trigger that coverage have been met;
 - 4) Any other individual or entity who is employed or retained by the **Named Insured** as a temporary worker, solely in connection with the rendering of or failure to render **Professional Services** on behalf of the **Named Insured**;
 - 5) The legal heir, executor, administrator or legal representative of any individual or entity which otherwise qualifies as an **Insured** under this section in the event of such **Insured's** death, incapacity or bankruptcy;
 - 6) The lawful spouse or domestic partner of any individual who qualifies as an **Insured**, above, for a **Claim** arising solely out of spousal or domestic partner status, and not out of any alleged independent **Wrongful Acts**, of such individual; and
 - 7) Any **Subsidiary**.

- N. Interrelated Wrongful Acts** means **Wrongful Acts** that are temporally, logically or causally connected by any common nexus of any fact, circumstance, situation, or event, or which are the same, related or continuous acts, regardless of whether the **Claim** or **Claims** alleging such acts involve the same or different claimants, **Insureds** or legal causes of action. **Interrelated Wrongful Acts**, include, but are not limited to, all **Wrongful Acts** regarding placement or procurement of all insurance products of any one entity, including subsidiaries and affiliates, which becomes the subject of any bankruptcy, insolvency, rehabilitation, liquidation or reorganization proceeding.
- O. Named Insured** means the person or entity set forth in Item 1. of the Declarations for this Policy.
- P. Negative Outcome** means any finding, investigation or proceeding in a **CFPB Matter** that results in any fine or penalty by the **CFPB**.
- Q. Personal Information** means an individual's identity with any one or more of the following: social security number; medical or healthcare data, or other protected health information; drivers license number or state identification number; credit card number or debit card number in combination with any required security code, access code or password that would permit access to that individual's financial account; or other nonpublic **Personal Information** as defined in a **Privacy Regulation**.
- R. Personal Injury** means false arrest, detention or imprisonment, or malicious prosecution; libel, slander, oral or written publication of defamatory or disparaging material; wrongful entry or eviction; or invasion of the right of private occupancy.
- S. Policy Period** means the period of time set forth in Item 2. of the Declarations or any shorter period that may occur as a result of a termination or cancellation in accordance with Section **VIII. I and J. General Conditions**.
- T. Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals, odors, noise, lead, oil or oil products, radiation, asbestos or asbestos-containing products waste and any electric, magnetic or electromagnetic field of any frequency. Waste includes, but is not limited to, medical waste, material to be recycled, reconditioned, or reclaimed.
- U. Privacy Breach** means a violation of a **Privacy Regulation** or right of privacy.
- V. Privacy Regulation** means any statute or regulation associated with the control, use, disclosure and/or dissemination of personally identifiable financial, medical or other sensitive information, including identity theft and privacy protection legislation that requires commercial entities that collect **Personal Information** to post privacy policies, adopt specific privacy controls, or notify individuals in the event that **Personal Information** has potentially been compromised.

W. Professional Services means the rendering of or failure to render the following services by any **Insured** on behalf of the **Named Insured**, for others for a fee or commission as specified by the **Named Insured** in the **Application** including but not limited to:

- 1) Title Insurance Agent;
- 2) Title Opinions or Title Certifications
- 3) Title Abstractor or Title Searcher;
- 4) Closing, Escrow or Settlement Agent;
- 5) Signing Agent or Witness Closer;
- 6) Notary Public, including Digital Notarization and Remote Online Notarization;
- 7) Public Records Searcher, including Uniform Commercial code searches;
- 8) Corporate Documents Searcher; or
- 9) Flood Zone Certifications.

X. Retroactive Date means the date set forth under Item 5. of the Declarations for this Policy.

Y. Subsidiary means any entity, other than a joint venture, in which the **Named Insured** has an ownership interest of greater than fifty percent (50%), provided that such entity:

- 1) Was owned at the inception date set forth in the Declarations for this Policy;
- 2) Becomes owned after the inception date set forth in the Declarations for this Policy, and its revenues do not exceed five percent (5%) of the **Named Insured's** revenues at the time it becomes so owned; or
- 3) Becomes owned after the inception date set forth in the Declarations for this Policy, and its revenues exceed five percent (5%) of the **Named Insured's** revenues at the time it becomes owned, provided the conditions set forth in Section **VIII. D. General Conditions** are satisfied.

Z. Wrongful Act means any negligent act, error or omission committed by an **Insured**, arising solely from the performance of **Professional Services** for others for a fee or commission. **Wrongful Act** does not include **Dishonest Conduct** by an **Insured**.

IV. EXCLUSIONS

This Policy does not apply to any **Claim** based upon, arising out of, directly or indirectly, in whole or in part, or in any way involving:

A. Any actual or alleged **Dishonest Conduct** by any person or entity, whether an **Insured** or a non-insured and whether known or unknown, at any time under any circumstances. This exclusion applies broadly to any claim that would not exist but for any actual or alleged **Dishonest Conduct** or any claim in which **Dishonest Conduct** was actually or allegedly a material part, including but not limited to any claim alleging that:

- 1) Any **Insured** engaged in any **Dishonest Conduct**;
- 2) Any **Insured** failed, through negligence or otherwise, to detect or prevent any **Dishonest Conduct**, whether by another **Insured** or a known or unknown non-insured;
- 3) Any **Insured** retained or supervised, negligently or otherwise, another **Insured** who engaged in **Dishonest Conduct** or failed to detect or prevent any **Dishonest Conduct**; or
- 4) Any **Insured** facilitated or allowed **Dishonest Conduct** by intentionally or unintentionally providing access to a computer network, voice mail system, email account, stationary, or information.

This exclusion, however, will not apply to the reimbursement of **Damages** and **Claims Expenses** provided in **Section II. Extensions of Coverage, C.**

- B. Any act or omission by any **Insured** in an action brought by or on behalf of any other **Insured**;
- C. Any demand or legal proceeding brought or maintained, directly or indirectly, by or on behalf of any entity:
 - 1) Wherein an **Insured** has a **Controlling Interest**;
 - 2) In which an **Insured** is:
 - (a) an officer
 - (b) a director;
 - (c) a partner;
 - (d) a trustee;
 - (e) a shareholder;
 - (f) a manager;
 - (g) an employee; or
 - (h) a member in the case of a Limited Liability Company; or
 - 3) Which wholly or partly owns, operates, or manages an **Insured**.
- D. Any demand or legal proceeding brought or maintained, directly or indirectly, by or on behalf of any governmental or quasi-governmental entity or Self-Regulatory Organization; provided that this Exclusion shall not apply to any **Claim** brought by or on behalf of such entity in its capacity as a client of an **Insured** and shall not apply to the coverage as provided in Section II. **Extensions of Coverage, B and D.**
- E. Any **Claim**, demand, suit, litigation or other proceeding pending against the **Insured**, or order, decree or judgment, of which the **Insured** is aware or reasonably should have been aware, entered for or against any **Insured** which was pending on or existed prior to the Inception Date set forth in Item 2.(A) of the Declarations, or the same or substantially the same facts, circumstances, situation or allegations underlying or alleged therein.
- F. Any rendering, by the **Insured**, of any service of a professional nature not specifically identified in Section III. **W. Definitions** of this Policy and referenced in the **Application**, including but not limited to the structuring of an exchange transaction under Internal Revenue Code § 1031 or services as an architect, engineer, accountant, lawyer, insurance agent/broker, property manager, real estate agent, real estate appraiser, real estate developer, registered investment adviser, and/or securities or commodities broker or dealer.
- G. Any actual or alleged purchase of insurance, with the sole exception of issuance of title insurance, or the failure to effect or maintain adequate levels or types of insurance.
- H. Any actual or alleged development or construction of property by any **Insured**.
- I. Any actual or alleged formation, syndication, operation, administration, reorganization, and/or dissolution of any limited partnership, limited liability company, or limited liability partnership.
- J. Any Real Estate Investment Trust, security, financial product or investment.
- K. Any actual or alleged beneficial ownership by any **Insured** in the property which is the subject matter of the **Claim**.
- L. Any actual or alleged use or operation of a motor vehicle.
- M. Any pension, profit sharing, health, welfare or other employee benefit plan, insurance plan or trust, or any violation of any provisions of the Employee Retirement Income Security Act of 1974 or any amendment, regulation, ruling or order issued pursuant thereto, or any similar provisions of any other federal, state or local law.

- N. Any financial inability or refusal to pay, insolvency, receivership, conservatorship, bankruptcy, or liquidation of any entity.
 - O. Any actual or alleged liability of others assumed by an **Insured** under any written or oral contract or agreement, provided that this Exclusion shall not apply to the extent that the **Insured** would have been liable in the absence of such contract or agreement.
 - P. Any actual or alleged representations, promises or guarantees as to the future value of any investment including but not limited to, representations, promises or guarantees as to interest rates, fluctuation in interest rates, future premium payments or market value(s).
 - Q. Any actual or alleged gaining of personal profit or advantage to which an **Insured** is not legally entitled.
 - R. Any actual or alleged violation of the rules or regulations of the Financial Industry Regulatory Authority, Securities and Exchange Commission, Securities Act of 1933, Securities Exchange Act of 1934, Investment Company Act of 1940, or the Investment Advisors Act of 1940, and any amendments thereto, or of any state securities statute or state regulatory agency.
 - S. Any actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time. This exclusion includes 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 **Pollutants**, or a **Claim** or suit brought by or on behalf of a government authority for damages because of testing for, monitoring, cleaning up, removing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **Pollutants**.
 - T. Any actual or alleged liability from any pollution or contamination, at any time, as a result of oil and gas fracking.
 - U. Any actual or alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of:
 - 1) any **Fungi** or bacteria; or
 - 2) any substance, vapor or gas produced by or arising out of any **Fungi** or bacteria.
- This exclusion includes any loss, costs or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, **Fungi** or bacteria by any **Insured** or by any other person or entity.
- V. Any bodily injury, including sickness, injury, disease or death of any person, including any emotional distress, mental anguish, humiliation, or emotional injury; or injury to or destruction of any tangible property, including loss of use thereof, or theft.
 - W. Any actual or alleged **Claim** arising out of, based upon or attributable to, directly or indirectly, or in any way involving any actual or alleged discrimination because of or based on, in whole or in part, a person's race, color, creed, religion, age, gender, national origin, sexual orientation or preference, disability, pregnancy or other protected status.
 - X. Any actual or alleged sexual harassment including any actual or alleged unwelcome sexual advances, requests for sexual favors or any other conduct of a sexual nature.
 - Y. Any actual or alleged infringement of copyright; plagiarism, piracy or misappropriation of ideas; or infringement of title, slogan, trademark, trade name, trade dress, service mark or service name; or any patent or trade secret; or any unfair competition, deceptive advertising,

anticompetitive acts, restraint of trade, price fixing, deceptive trade practices, racketeering-influenced corrupt organizations, and conspiracies regarding the same, or antitrust.

Z. Any actual or alleged violation of:

- 1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law,
- 2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law, or
- 3) Any statute, ordinance or regulation other than the TCPA or CAN-SPAM Act of 2003 that prohibits or limits the sending, transmitting, communicating, or distribution of material or information.

AA. Any actual or alleged **Privacy Breach**.

BB. Any actual or alleged notarized certification, acknowledgment or acceptance of:

- 1) Signature, before the **Insured**, without the physical appearance, without eNotarization through use of electronic signature, or without use of a webcam remote notarization system before such notary public of the person who is or claims to be the person signing said instrument;
- 2) Any document provided to the **Insured** and notarized by a party other than the **Insured** without the physical appearance, without eNotarization through use of electronic signature, or without use of a webcam remote notarization system before such notary public of the person who is or claims to be the person signing said instrument.

CC. Any actual or alleged violations of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") or the Real Estate Settlement Procedures Act ("RESPA"), their amendments, or any regulations or orders promulgated pursuant thereto, provided that this exclusion shall not apply to the reimbursement of expenses as provided in **Section II. Extensions of Coverage, B.**

DD. Any duty of any kind or nature to record, file, preserve, or perfect any legal, equitable, beneficial or other interest in any personal property, of any kind, on behalf of any party.

EE. Any actual or alleged willful or intentional failure on the part of any **Insured** to comply with escrow instructions or underwriting or binding authority.

FF. Any performance of **Professional Services** by an **Insured** who is not properly licensed to perform such **Professional Services**.

GG. Any actual or alleged **Personal Injury**.

HH. Any **Interrelated Wrongful Acts** where the first such **Wrongful Act** occurred prior to the **Retroactive Date**.

II. Any disputes involving an **Insured's** client lists, or non-compete or similar agreements.

JJ. Any deficiency or defects of title that are not recorded in the public records.

V. REPORTING AND NOTICE

A. Reporting of Actual Claims

In the event of a **Claim**, the **Insured** shall, as a condition precedent to exercising any right to coverage afforded by this Policy, forward to the Insurer, immediately, but in no event later than

thirty (30) days after expiration of the **Policy Period** or during the **Extended Reporting Period**, if applicable, every demand, notice, summons and/or pleading received by such **Insured**. As soon as practicable thereafter the **Insured** will provide the Insurer with complete information and supporting documents regarding the facts and circumstances surrounding the **Claim**.

B. Reporting of Potential Claims

If, during the **Policy Period**, or any **Extended Reporting Period**, if applicable, an **Insured** first becomes aware of a **Wrongful Act** which might reasonably be expected to give rise to a **Claim**, and during the **Policy Period** gives written notice to the Insurer of such **Wrongful Act** as required below, then any **Claim** subsequently made against the **Insured** arising from such **Wrongful Act** or **Interrelated Wrongful Act** shall be deemed to have been first made during the **Policy Period**.

C. Reporting Requirements of Actual and Potential Claims

Written report of a **Claim** and a potential **Claim** must include:

- 1) The specific facts and circumstances which constitute the **Wrongful Act**, including the date(s) thereof, and the **Insured** and clients involved;
- 2) The date and circumstances by which the **Insured** became aware of such **Wrongful Act**; and
- 3) The **Damages** that may reasonably result therefrom.

D. Notice

- 1) In the event of a **Claim**, notice should be sent to the entity listed in Item 10 of the Declarations at the specified street or electronic mail address.
- 2) All correspondence should make reference to the Policy number set forth in the Declarations of this Policy.
- 3) The date of receipt by the entity specified in Item 10 of the notice of the **Claim** shall constitute the date such notice was provided to the Insurer.

VI. DEFENSE, CONSENT, AND SETTLEMENT

- A.** The Insurer has the sole right to appoint defense counsel and the right and duty to defend any **Claim** covered by this Policy made against an **Insured**. The Insurer may settle, compromise, make ex-gratia payments in respect thereof and generally conduct any proceedings or actions related to the **Claim** as they see fit.
- B.** As a condition precedent to exercising any right to coverage afforded by this Policy, the **Insured** agrees not to settle or offer to settle any **Claim**, incur any **Claims Expenses** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Insurer's prior written consent. The Insurer shall not be liable for any element of **Claim** incurred, for any obligation assumed, or for any admission made, by any **Insured** without the Insurer's prior written consent.

- C. The **Insured**, if required by the Insurer, shall attend all proceedings and alternative dispute resolution meetings and assist the Insurer in the giving of evidence and do and concur in doing whatever Insurers may require in connection with any **Claim**. The **Insured** shall provide the Insurer with such cooperation, assistance and information as the Insurer may request, all without charge to the Insurer. Upon the Insurer's request, all **Insureds** shall submit to examination by a representative of the Insurer, under oath if required.

VII. TERRITORY

This Policy applies to **Wrongful Acts** committed by an **Insured** anywhere in the world, provided that any **Claim** made or suit brought as a result of such **Wrongful Acts** must be brought against the **Insured** in the United States of America, its territories or possessions.

VIII. GENERAL CONDITIONS

A. Limits of Liability and Deductible

1) Limits of Liability

- (a) The Insurer's maximum liability for all **Damages** and **Claims Expenses** resulting from each **Claim** arising from a **Wrongful Act** or **Interrelated Wrongful Acts** shall be the Limits of Liability for Each **Claim** set forth in Item 3.(A) of the Declarations;
- (b) The Insurer's maximum aggregate Limits of Liability for all **Damages** and **Claims Expenses** resulting from all **Claims** covered by this Policy shall be the Maximum Policy Aggregate set forth in Item 3.(B) of the Declarations;
- (c) The Limits of Liability of the Insurer for any **Extended Reporting Period** shall be part of, and not in addition to, the Limits of Liability of the Insurer for the **Policy Period**; and
- (d) The Insurer shall have no obligation to pay **Damages** or **Claims Expenses**, or to defend or continue to defend any **Claim** after the Insurer's applicable Limit of Liability with respect to such **Claim** has been exhausted. If the Insurer's Limit of Liability set forth in Item 3. of the Declarations is exhausted prior to the expiration of this Policy, the Policy premium will be deemed fully earned.

2) Deductible

The Insurer shall only be liable for **Damages** and **Claims Expenses** which are in excess of the Deductible(s) set forth in Item 4. of the Declarations. The Deductible(s) shall apply separately to each **Claim** and shall be borne by the **Insured** and remain uninsured. For purposes of the Deductible(s), **Claims** arising out of one **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as arising out of one **Wrongful Act**, and only one Deductible amount shall apply thereto. The Deductible shall not reduce or increase the Limits of Liability. The **Insured's** payment of the applicable Deductible is a condition precedent to payment by the Insurer of any amounts covered under the Policy, and the Insurer shall only be liable for the amount in excess of such Deductible, not to exceed the total Limit of Liability as stated in Item 3. of the Declarations. The **Insured** shall make direct payments within the Deductible to the appropriate parties designated by the Insurer.

3) **Multiple Policies**

If any **Wrongful Act** which is covered by this Policy is also covered to any extent by another policy also issued by the Insurer or any of its parents, subsidiaries or affiliates to the **Insured**, the total liability of the Insurer or its parents, subsidiaries or affiliates under either or both policies for the **Wrongful Act** shall not exceed the largest total Limit of Liability available under either policy.

B. Claims First Made

All **Claims** arising out of the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed one **Claim**, and such **Claim** shall be deemed to be first made on the earliest date that:

- (a) Any of the **Claims** were first made, regardless of whether this Policy was in effect at the time; or
- (b) Notice was given by the **Insured** under this Policy or any prior policy of any **Wrongful Act** or **Interrelated Wrongful Act** which underlies such **Claim**.

C. Extended Reporting Periods

1) **Extended Reporting Period**

The right to purchase the **Extended Reporting Period** must be exercised by notice in writing not later than thirty (30) days following the non-renewal or cancellation date of this Policy, and must include payment of premium for the applicable **Extended Reporting Period**, as well as payment of all premiums and deductible obligations due the Insurer. If such notice is not so given to the Insurer, the **Named Insured** shall not be entitled to exercise such right at a later date.

Any **Extended Reporting Period** shall not apply if the **Named Insured** has any other applicable insurance.

The fact that this Policy may be extended by virtue of an **Extended Reporting Period** shall not in any way increase the Limits of Liability set forth in Item 3. of the Declarations or extend the **Policy Period**.

At the commencement of the **Extended Reporting Period**, the entire premium thereafter shall be deemed fully earned and in the event the **Named Insured** terminates the **Extended Reporting Period** before its expiration date, the Insurer shall not be liable to return any portion of the premium for the **Extended Reporting Period**.

2) **Optional Extended Reporting Period**

In the event of cancellation or non-renewal of this Policy by the **Named Insured** or the Insurer, for reasons other than non-payment of premium, the **Named Insured** may elect to purchase, subject to an additional premium stated in Item 7. of the Declarations depending on the Option requested, of the total annual premium, an **Extended Reporting Period** for a period of one (1), two (2), three (3), four (4) or five (5) years after the date of such cancellation or non-renewal to report to the Insurer any **Claim** which is first made during said period and which arises out of a **Wrongful Act** committed prior to cancellation or non-renewal and on or after the **Retroactive Date**.

The **Extended Reporting Period** shall be renewable at the sole option of the Insurer.

3) Retirement Extended Reporting Period

Upon the retirement from the **Named Insured**, any **Insured** who qualifies as an **Insured** shall be entitled to have issued an **Extended Reporting Period** endorsement, for 50% of the additional premium stated in Item 7. of the Declarations for the periods stated in Item 7. after the date of retirement, pursuant to this Section **VIII. C. Extended Reporting Periods** above. An **Insured's** right to the insurance of such an endorsement is conditioned on the following:

- (a) The **Insured** is at least fifty-five (55) years of age at the time of retirement; and
- (b) The **Insured** was employed by the **Named Insured** during the **Policy Period** and had been insured by the Insurer for five (5) or more consecutive **Policy Periods**; and
- (c) The **Insured** notifies the Insurer of his or her retirement and requests the issuance of an **Extended Reporting Endorsement** within thirty (30) days following cancellation, non-renewal or expiration of this policy; and
- (d) The conditions described above in Section **VIII. C. Extended Reporting Periods** have been met.

4) Death or Permanent Disability Extended Reporting Period

Any **Insured** who qualifies as an **Insured** and who dies or becomes permanently disabled, shall be entitled to an **Extended Reporting Period** endorsement for the additional premium as set forth in Item 7. of the Declarations, reduced by fifty (50) per cent. Such **Insured's** right to the issuance of an **Extended Reporting Period** is conditioned by:

- (a) The **Insured** was employed by the **Named Insured** during the **Policy Period** and suffered death or disability during the **Policy Period**;
- (b) In the event of disability, the **Insured** is totally and continuously disabled from the office of the **Named Insured** a minimum of six (6) months prior to the election of this option;
- (c) The **Insured** or **Insured's** representative provided to the Insurer satisfactory written evidence of death or permanent disability within ninety (90) days following the **Insured's** death or disability;
- (d) the **Insured** or **Insured's** representative notifies the Insurer of the death or disability and requests the issuance of an **Extended Reporting Period** within thirty (30) days following cancellation, non-renewal or expiration of the policy; and
- (e) The conditions described above in Section **VIII. B. Extended Reporting Periods** have been met.

D. Subrogation

In the event of any payment under this Policy, the Insurer shall be subrogated to all of the **Insured's** rights of recovery against any person or organization, and the **Insured** shall execute and deliver instruments and papers required, and shall do everything necessary to preserve and secure such rights, including the execution of such documents necessary to enable the Insurer effectively to bring suit or otherwise pursue subrogation rights in the name of the **Insured**. The **Insured** shall do nothing to prejudice such rights.

Any amount so recovered shall be apportioned as follows: Any recovery shall first be used for the repayment of expenses incurred toward subrogation; second, to any **Claims Expenses** and/or **Damages** paid by the **Insured** in excess of any deductible; third, to any **Claims Expenses** and/or **Damages** payments by an excess carrier on behalf of the **Insured**; fourth, to any **Claims Expenses** and/or **Damages** payments by any primary carrier on behalf of the **Insured**; and last, to repayment of the **Insured's** deductible.

E. Acquisitions/Creations

If during the **Policy Period**, the **Named Insured**:

- 1) Acquires securities or voting rights in another entity or creates another entity, which as a result of such acquisition or creation becomes a **Subsidiary**; or
- 2) Acquires any entity by merger or consolidation; such entity shall be considered an **Insured** under this Policy for a period of ninety (90) days from the date of the acquisition or creation, but only for **Wrongful Acts** committed after the date of acquisition or creation. Coverage beyond ninety (90) days shall apply if:
 - (a) Written notice of such acquisition or creation is provided to the Insurer no later than ninety (90) days after the effective date of such acquisition or creation;
 - (b) The **Named Insured** provides the Insurer with information that it may require;
 - (c) The **Insured** accepts any special terms, conditions, exclusions, or additional premium charges as may be required by the Insurer;
 - (d) No **Insured** or individual of the acquired or created entity knew or could have reasonably foreseen that a **Claim** might be made; and
 - (e) The Insurer, at its sole discretion, agrees to provide such coverage.

If during the **Policy Period** the **Named Insured** ceases to have an ownership interest of greater than fifty percent (50%) in such entity, coverage under this Policy for such entity shall apply only to the **Wrongful Acts** taking place prior to the date the **Named Insured** ceased having an ownership interest of greater than fifty percent (50%).

If before or during the **Policy Period** an organization ceases to be a **Subsidiary**, coverage with respect to the **Insured** persons of such **Subsidiary** shall continue until termination of this Policy but only with respect to **Claims** for **Wrongful Acts** taking place prior to the date such organization ceased to be a **Subsidiary**.

F. Other Insurance

This insurance shall apply in excess of any other valid and collectible insurance available to the **Insured**, whether primary, excess, contingent or on any other basis unless such other insurance is written only as specific excess insurance over the Limit of Liability of this Policy. When this insurance is excess we will have no duty to defend any **Claim** 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 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.

G. Allocation

If a **Claim** includes both covered and uncovered allegations, or gives rise to both covered **Damages** and uncovered **Damages**, the **Insured** and the Insurer shall use their best efforts to allocate **Claim Expenses** and **Damages** between covered and uncovered matters. If no agreement can be reached between the Insurer and the **Insured**, the Insurer shall pay **Claims Expenses** which it reasonably believes to be covered under this Policy until a different allocation is negotiated or determined. Any negotiated or determined allocation of **Claims Expenses** in connection with a **Claim** shall be applied retroactively, notwithstanding any allocation applied with respect to any prior advancement. Any allocation or advancement of **Claims Expenses** in connection with a **Claim** shall not apply to or create any presumption with respect to any other allocation.

H. Reimbursement of the Insurer

If the Insurer has paid any **Damages** and/or **Claims Expenses** in excess of the applicable Limits of Liability, within the amount of the applicable Deductible or subject to the right to seek repayment, the **Insured** shall be liable to the Insurer for any and all such amounts and, upon demand, shall pay such amounts to the Insurer promptly. If it is negotiated or determined that any **Damages** or **Claims Expenses** are not covered under this Policy, the **Insured** agrees to repay the Insurer the amount of such **Damages** or **Claims Expenses** not covered.

I. Termination

This Policy shall terminate at the earliest of the following events:

- 1) Upon expiration of the **Policy Period** set forth in Item 2. of the Declarations, or the effective date of cancellation, if earlier; or
- 2) Ten (10) days after receipt by the **Named Insured** of a written notice of cancellation from the Insurer for failure to pay a premium due.

J. Cancellation

This Policy may be cancelled by the **Named Insured** by surrender of this Policy to the Insurer or by giving written notice to the Insurer stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the Insurer by mailing to the **Named Insured** by registered, certified, or other first class mail, at the **Named Insured's** address set forth in Item 1. of the Declarations, written notice stating when, not less than sixty (60) days thereafter (or ten (10) days thereafter when cancellation is due to non-payment of premium), the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the **Named Insured**, the Insurer shall retain the customary short rate proportion of the premium hereon. If this Policy shall be cancelled by the Insurer, the Insurer shall retain the pro-rata proportion of the premium hereon. Premium adjustments and returns shall be made at the time cancellation is effective or as soon as possible after that time. Notwithstanding the foregoing, in the event that a **Claim** or potential **Claim** is reported under this Policy, no return premium will be provided. Payment or tender of unearned premium shall not be a condition of cancellation.

K. Named Insured - Sole Agent

The **Named Insured** shall be the sole agent of all **Insureds** hereunder for the:

- 1) Purpose of effecting or accepting any amendments to or cancellation of this Policy;
- 2) Purpose of receiving such notices as may be required by law and/or any provision(s) of this Policy;
- 3) Completing of any **Application** and the making of any representations;
- 4) Payment of any premium and the receipt of any return premium that may become due under this Policy;
- 5) Payment of any Deductible obligation, and
- 6) The exercising or declining to exercise any right under this Policy, including declining or exercising any **Extended Reporting Period**.

L. Alteration and Assignment

No change in, modification of, or assignment of, interest under this Policy shall be effective except when made by written endorsement signed by an authorized representative of the Insurer.

M. Action Against the Insurer

No action shall be taken against the Insurer unless, as a condition precedent thereto, the **Insured** has fully complied with all the terms and conditions of this Policy. In addition, no action shall be taken against the Insurer until the amount of any **Insured's** obligation or liability to a third party has been finally determined by an award or judgment against any **Insured** in an actual adjudicatory proceeding.

No person or entity shall have any right under this Policy to join any **Insured** in any action or proceeding against the Insurer to determine the Insurer's liability nor shall the Insurer be impleaded in an action or proceeding by any **Insured** or its legal representative.

No person or entity shall have any right under this Policy to join the Insurer as a party to any action against any **Insured** to determine such **Insured's** liability.

N. Dispute Resolution Process

In the event a dispute arises out of this Policy, the Insurer and the **Insured** shall participate in a non-binding mediation administered by the American Arbitration Association under its Commercial Mediation Procedures. The mediation will take place in New York, New York and commence within 90 days of one party notifying the other party in writing of its intent to mediate the dispute. The parties shall share costs, but bear their own legal fees and expenses of the mediation. Either the Insurer or the **Insured** may commence a judicial proceeding or binding arbitration proceeding after ninety (90) days has passed from the termination of the mediation, provided that in the event that both the Insurer and the **Insured** commence either a judicial proceeding or binding arbitration, the party commencing first shall be entitled to have its proceeding take precedence over the party not filing first, and such party not filing first shall withdraw its judicial or binding arbitration proceeding until such time the proceeding filed by the party filing first has received a final determination. In the event of a binding arbitration, such proceeding shall be pursuant to such rules and procedures as the parties may agree. If the parties cannot agree, the arbitration shall be administered by the American Arbitration Association in accordance with its then prevailing Commercial Arbitration Rules. The arbitration panel shall consist of one arbitrator selected by the **Insured**, one selected by the Insurer, and the third independent arbitrator selected by the two party-appointed arbitrators. In any such arbitration, each party will bear its own legal fees and expenses. The arbitration or any court proceeding shall take place in New York, New York. Judgement on the award rendered by the

arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitrators are precluded from punitive, exemplary or treble damages however so denominated.

O. Entire Agreement

It is agreed that this Policy, together with the Declarations, endorsements and the **Application** as of the Inception date of this Policy, constitute the entire agreement existing between the Insurer and the **Insureds**.

P. Titles

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

Q. Application

By acceptance of this policy, the **Insured** reaffirms as of the effective date set forth in the Declarations that:

- 1) The **Application(s)** and all information communicated by the **Insureds** to the Insurer, either oral or written or electronically submitted, are true and accurate, are specifically incorporated herein, including all **Insureds'** agreements, personal representations and warranties;
- 2) The **Application**, and all such communicated information as set forth in Section **VIII. Q. Application 1.** above, shall be deemed material to the Insurer's issuance of this policy;
- 3) This Policy is issued in reliance upon the truth and accuracy of such representations;
- 4) This Policy embodies all agreements existing between the **Insureds** and the Insurer, or any of its agents, relating to this insurance; and
- 5) If any representation is false or misleading, this Policy shall be void from inception of this Policy.

R. Change in Licensure

It is a condition of the coverage afforded under the **Policy** that the facilities of the **Insured** and any **Insured** requiring a license to practice shall be licensed in accordance with all relevant federal, state and local requirements. The **Insured** warrants that as of the inception date of this **Policy** it has secured all relevant licenses.

If, during the **Policy Period**, any **Insured's** licensure status is altered by withdrawal, revocation, denial, suspension or failure to renew, the **Insured** shall give written notice of such change to Insurer within thirty (30) days of the change becoming effective. Following receipt of such notice, Insurer may elect, at their sole option, to revise any section or part of this **Policy** with respect to the **Insured**, with effect from such date of such withdrawal, revocation, denial, suspension or failure to renew. Such action does not waive any rights, options, or provisions of this **Policy**. Furthermore, Insurer will have no obligation to respond to any **Claim** arising out of any **Wrongful Act** which took place subsequent to the date of the withdrawal, revocation, denial, suspension or failure to renew.