



September 17, 2018

RECEIVED

SEP 17 2018

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

A-2018-3004935

Subject: Additional Documents for Statistical Energy LLC's Electric Broker Application Dated 8-31-18

Dear Ms. Chiavetta:

In response to your letter dated September 10, 2018, please find enclosed in this letter the following documents which you requested:

1. Please find copies of Statistical Energy LLC's Ohio and New Jersey natural gas and electric brokerage licenses
2. Professional Liability Policy from CNA Insurance

Our agent, Harbor Compliance, will be forwarding the proof of publications you also requested. When I spoke with Harbor Compliance today, they were still waiting for 2 of the newspapers to respond with their proof of publications but were confident they would be sent within a week or so. I can have them forward the 5 we have already received if that is helpful.

Besides the outstanding proof of publications (which I will send as soon as we have all 7 proofs), please advise if there is anything else you need from me.

Warmest Regards,

Jim Risk
CFO & Partner
Statistical Energy LLC
4967 Countryside Road
Lyndhurst, OH 44124
216-536-2582
www.statisticalenergy.com
Jim.Risk@statisticalenergy.com

State of New Jersey



Board of Public Utilities

44 South Clinton Avenue, 3rd Floor, Suite 314, P.O. Box 350, Trenton, New Jersey 08625-0350

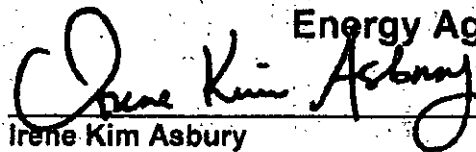
HEREBY REGISTERS

Statistical Energy LLC

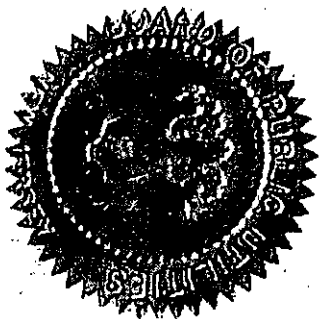
4967 Countryside Road
Lyndhurst, Ohio 44124

To conduct business in the State of New Jersey as an

Energy Agent


Irene Kim Asbury

Secretary of the Board



Registration No. EA-0456
Effective Date: October 20, 2017
Expiration Date: October 19, 2018



Chris Christie
Governor

Kim Guadagno
Lt. Governor

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

Irene Kim Asbury
Secretary to the Board
(609) 292-1599

October 20, 2017

Jim Risk
Managing Partner
Statistical Energy LLC
4967 Countryside Road
Lyndhurst, Ohio 44124

Re: **Energy Agent Initial Registration**
Docket No. EE17050443L

Dear Mr. Risk:

In accordance with the Electric Discount and Energy Competition Act of 1999, N.J.S.A. 48:3-49 et seq., at its October 20, 2017 Agenda meeting, the New Jersey Board of Public Utilities voted to issue **REGISTRATION** as an Energy Agent to Statistical Energy LLC. Your registration number is EA-0456.

The enclosed registration is effective October 20, 2017 and expires on October 19, 2018. This registration and the rights thereunder are Non-Transferable.

This letter is not an endorsement of, nor is it intended for use in, the marketing promotions of the registrant. Registrants shall comply with all applicable law, including the Electric Discount and Energy Competition Act, which prohibits the unauthorized change of a customer's energy provider and other fraudulent and illegal marketing activities.

If you have any questions, please contact Dante Cusi at (609) 292-1356.

Sincerely,

A handwritten signature in cursive script that reads "Irene Kim Asbury".

Irene Kim Asbury
Secretary of the Board

IKA/dec
Encl. (s)

PUBLIC UTILITIES COMMISSION OF OHIO

Certified as a Competitive Retail Electric Service Provider

Certificate Number:

16-1142E (1)

Issued Pursuant to Case Number(s):

16-2005-EL-AGG

A certificate as a Competitive Retail Electric Service Provider is hereby granted to, **Statistical Energy LLC** whose office or principal place of business is located at **4967 Countryside Road, Lyndhurst, OH 44124** to provide aggregation and power broker services within the State of Ohio effective **November 11, 2016**.

The certification of competitive retail electric suppliers is governed by Section 4901:1-24-(01-13) of the Ohio Administrative Code, Section 4901:1-21-(01-15) of the Ohio Administrative Code, and Section 4928.08 of the Ohio Revised Code.

This Certificate is revocable if all of the conditions set forth in the aforementioned case(s) are not met.

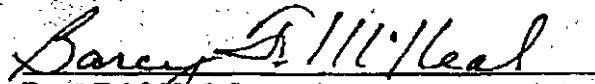
Subject to all rules and regulations of the Commission, now existing or hereafter promulgated.

Witness the seal of the Commission affixed at Columbus, Ohio.

Dated: **November 14, 2016**

By Order of

PUBLIC UTILITIES COMMISSION OF OHIO



Barry F. McNeal, Secretary
Tanowa M. Troupe, Acting Secretary
Felecia D. Burdett, Acting Secretary

Certificate Expires: November 11, 2018

This is to certify that the images appearing herein are an accurate and complete reproduction of a case file document delivered in the regular course of business.

CRES AUTOMATIC CASE ACTION FORM

Date: 11-14-16

Case Number: 16-2005-EL-AGG

Company Name and Company Name d/b/a: Statistical Energy LLC

Company Address: 4967 Countryside Road

Company City/State/Zip: Lyndhurst OH 44124

Regulatory Contact: Jim Risk

Regulatory Email: jriskenergy@gmail.com

Regulatory Phone: 216-536-2582

Renewal

Action Needed:

Issue Certificate Number to: Statistical Energy LLC

Effective Date of Certificate: 11-11-16 Certificate Expires: 11-11-18

Renew Certificate Number from: to:

Effective Date of Certificate: Certificate Expires:

Certified To Provide the Following Services:

- Retail Generation
- Aggregation
- Power Marketer
- Power Broker
- Governmental Aggregation

Revise Certificate Number: to (check all applicable):

- Reflect name change from: to
- Reflect address change from: to
- Correct Administrative Error.
- Reflect Change of Ownership to:

Cancel Certificate Number.

Protect Un-redacted copies until:

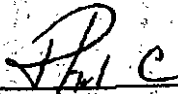
Close Case File, Case Withdrawn at Applicant's Request

Close Case File

11/14/2016

Service Notice For Case: 16-2005-EL-AGG

CASE NUMBER: 16-2005-EL-AGG
CASE DESCRIPTION: STATISTICAL ENERGY LLC
DATE OF SERVICE: 11/14/2016
DOCUMENT SIGNED ON: 11/14/16

Sign Here: 

	APPLICANT	ATTORNEY
PARTY OF RECORD		
STATISTICAL ENERGY LLC	NONE	
JIM RISK		
4967 COUNTRYSIDE ROAD		
LYNDHURST, OH 44124		
Phone: 216-638-2582		
Email: jim.risk@statisticalenergy.com		

FILE

3

The Public Utilities Commission of Ohio Ohio Competitive Retail Natural Gas Aggregator/Broker Certificate

Issued pursuant to Case Number(s):

16-2014-GA-AGG

is

Ohio Competitive Retail Natural Gas Aggregator/Broker Certificate Number:

16-556G (1)

Granted to:

Statistical Energy LLC

Whose office or principal place of business is located at:

4967 Countryside Road, Lyndhurst, OH 44124

And is hereby certified to provide:

Retail Natural Gas Aggregator/Broker Services

within the state of Ohio, for a two-year period.

Certification Effective:

November 12, 2016 through November 12, 2018

The certification of Ohio competitive retail natural gas aggregators/brokers is governed by Chapter 4901:1-27 of the Ohio Administrative Code and section 4929.20 of the Ohio Revised Code.

This Certificate is revocable if all of the conditions set forth in the aforementioned case(s) as well as those under law, are not met.

Certified entity is subject to all rules and regulations of the commission, now existing or hereafter promulgated.

Witness the seal of the Commission affixed at Columbus, Ohio

Dated: **November 14, 2016**

By Order of
The Public Utilities Commission of Ohio



Barry F. McNeal, Secretary
Tanowa M. Troupe, Acting Secretary
Felecia D. Burdett, Acting Secretary

Form No. CRNGS/AGG/B-06

This document is a copy of the original document and shall be returned to the originator in the regular course of business.

Technician _____

Date Processed _____

CRNGS AUTOMATIC CASE ACTION FORM

Date: November 14, 2016

Case Number: 16-2014-GA-AGG

Company Name and Company Name d/b/a: Statistical Energy LLC

Company Address: 4967 Countryside Road

Company City/State/Zip: Lyndhurst, OH 44124

Regulatory Contact: Jim Risk

Regulatory Email: jriskenergy@gmail.com

Regulatory Phone: 216-536-2582

Renewal

Action Needed:

Issue Certificate Number: 16-556G (1) to: Statistical Energy LLC

Effective Date of Certificate: 11/12/2016 Certificate Expires: 11/12/2018

Renew Certificate Number from: to:

Effective Date of Certificate: Certificate Expires:

Certified To Provide the Following Services:

Retail Natural Gas Aggregator

Retail Natural Gas Broker

Retail Natural Gas Supplier

Natural Gas Governmental Aggregator

Revise Certificate Number: to (check all applicable):

Reflect name change from: to

Reflect address change from: to

Correct Administrative Error:

Reflect Change of Ownership to:

Cancel Certificate No.

Protect Un-redacted copies until

Close Case File, Case Withdrawn at Applicant's Request

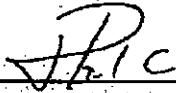
Close Case File

11/14/2016

Service Notice For Case: 16-2014-GA-AGG

CASE NUMBER: 16-2014-GA-AGG
CASE DESCRIPTION: STATISTICAL ENERGY LLC
DATE OF SERVICE: 11/14/2016
DOCUMENT SIGNED ON: 11/14/16

Sign Here: _____



APPLICANT

PARTY OF RECORD

ATTORNEY

STATISTICAL ENERGY LLC

NONE

JIM RISK

4967 COUNTRYSIDE ROAD

LYNDHURST, OH 44124

Phone: 216-638-2582

Email: jim.risk@statisticalenergy.com



NAMED INSURED AND ADDRESS		PRODUCER
Item 1.	Statistical Energy LLC 4967 Countryside Road Lyndhurst, OH 44124	BUSHA-OKESON INSURANCE Christopher K Okeson 23980 CHAGRIN BLVD., STE 200 BEACHWOOD, OH 44122
Attn:		
CUSTOMER NUMBER		INSURER
708033		Continental Casualty Company 333 S. Wabash Ave. Chicago, IL 60604
POLICY NUMBER		
596755163		

Item 2. **Policy Period:** 1/29/2018 to 1/29/2019
12:01 a.m. local time at the address stated in Item 1.

Item 3. **Policy Premium:** \$2,540 (does not include Surcharges or Taxes, if applicable)

Lines of Business	Policy Year Premium	Policy Period Premium
Professional Liability	\$2,540	\$2,540

Item 4. Coverage Parts and Endorsements:

EpacK Extra - Miscellaneous Professional Liability Coverage Part	GSL12042XXC	03/2010
Professional Services Endorsement Consulting Services	G-143895-AC	03/2010
Amendatory Endorsement Ohio	G-139036-A34	10/2011
Cancellation/Non-Renewal Endorsement - Ohio	GSL-7541-OH	09/2010



Item 5. Notices of Claims to Insurer:

CNA – Claims Reporting
P.O. Box 8317
Chicago, IL 60680-8317
Fax: 866-773-7504
Email: SpecialtyNewLoss@cna.com

These Declarations, along with the completed and signed Application, the Policy, and any written endorsements attached shall constitute the contract between the Insureds and the Insurer.

Authorized Representative:

John B. Brand

Date:



Professional Liability Coverage Part Declarations

NOTICE

MANY OF THE PROFESSIONAL LIABILITY COVERAGE PARTS ARE WRITTEN ON A CLAIMS MADE BASIS, AND AS SUCH, TO ALL PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE DURING THE POLICY PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT THAT, THE EXTENDED REPORTING PERIOD APPLIES. DEFENSE COSTS REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

Named Insured: Statistical Energy LLC

Policy Number: 596755163

Policy Period: 1/29/2018 to 1/29/2019

Item 1. Policy Year Limits of Liability and Retentions (inclusive of Defense Costs). Regardless of the Option selected, as indicated by a checked box, please refer to the Coverage Schedule below for applicable Coverage Parts.

The Coverage Parts designated below are issued with the Limits of Liability and Retention Option selected below:

- Single Limit of Liability and Scheduled Retentions:
 Single Limit of Liability* \$1,000,000 / \$1,000,000
 Scheduled Retentions Refer to Column 3 below
- Scheduled Limits of Liability and Scheduled Retentions:
 Scheduled Limits of Liability Refer to Column 2 below
 Scheduled Retentions Refer to Column 3 below

① Coverage Part	② Scheduled Limits of Liability Per Claim or Privacy Event/Aggregate Limit	③ Scheduled Retentions Per Claim	Retroactive Date	Policy Year Premium	Policy Period Premium
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Miscellaneous Professional Liability		\$2,500	01/29/2017	\$2,540	\$2,540
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* Single Limit applies to claims made coverage parts only. If an occurrence coverage part is selected the limit for that coverage part is a separate scheduled limit.

NOTE: The premium shown on this Declarations page does not include Surcharges or Taxes, if applicable.

Authorized Representative:

Date:

12/12/2017



The Insurer and the **Insureds**, in consideration of the payment of the premium and in reliance upon all statements made in the **Application** furnished to the Insurer designated in the Policy Declarations, a stock insurance corporation, hereafter called the "Insurer," agree as follows. Terms in bold face type have special meaning. See the Glossary of Defined Terms or the applicable Coverage Parts of this Policy.

I. TERMS AND CONDITIONS

The terms and conditions of each **Coverage Part** apply only to that **Coverage Part** and shall not apply to any other **Coverage Part**. If any provision in the General Terms and Conditions is inconsistent or in conflict with the terms and conditions of any **Coverage Part**, the terms and conditions of such **Coverage Part** shall control for purposes of that **Coverage Part**.

II. CANCELLATION

A. Insurer's Right to Cancel

The Insurer shall not cancel this Policy except for non-payment of any premium when due. The Insurer shall provide to the **Named Insured** written notice of such cancellation stating when, not less than twenty (20) days thereafter, such cancellation shall be effective, except that non-payment of premium due at inception of this Policy will result in the policy being cancelled effective as of the effective date.

B. Named Insured's Right to Cancel

The **Insureds** grant the exclusive authority to cancel this Policy to the **Named Insured**. The **Named Insured** may cancel this Policy by providing the Insurer written notice stating when thereafter such cancellation shall be effective. The mailing or delivery of such notice shall be sufficient. The unearned premium shall be computed on a pro-rata basis and premium adjustment may be made at the time cancellation is effected or as soon as practicable.

III. NON-RENEWAL

If the Insurer decides not to offer any renewal terms for this Policy, the Insurer shall provide written notice to the **Named Insured** at least sixty (60) days prior to the Policy expiration date. The notice shall include the reason for such non-renewal.

IV. NAMED INSURED AUTHORIZATION AND NOTICES TO THE NAMED INSURED

The **Insureds** agree that the **Named Insured** will act on behalf of the **Insureds** with respect to giving of all notices to the Insurer (except pursuant to Section XXII, Paragraph A. **Notice of Claim or Privacy Event** or B. **Notice of Circumstance**), the receipt of notices from the Insurer, the payment of the premiums, the receipt of any return premiums that may become due under this Policy, and the acceptance of endorsements.

Any notices required under Section II. **CANCELLATION**, and Section III. **NON-RENEWAL** shall be provided to the **Named Insured** at the last known address and to its insurance agent or broker. The mailing by certified mail of such notice shall be sufficient.

V. APPLICATION

A. The **Insureds** represent and acknowledge that the statements contained in the **Application** (which shall be maintained on file by the Insurer and be deemed attached to and incorporated into this Policy as if physically attached), are true and are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy. This Policy is issued in reliance upon the truth of such representations.



- B. In the event the **Application** contains any misrepresentation or omission made with the intent to deceive, or which materially affects either the acceptance of the risk or the hazard assumed by the Insurer under the Policy then this Policy shall be voided as to:
1. the **Insured Entity**, if the Chief Executive Officer, Chairperson, Chief Financial Officer, President (or any equivalent position), or the signer of the **Application** knew of such misrepresentation or omission and,
 2. any **Insured Persons** who knew of such misrepresentation or omission. Such knowledge shall not be imputed to any other **Insured Persons**.

Notwithstanding anything to the contrary in this Policy and solely to the extent there is a **Non-Indemnifiable Loss**, the Insurer shall not seek to rescind the Policy with respect to any **Insured Person** for any reason.

VI. CHANGES

Notice to or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right under the provisions of this Policy, nor shall the provisions be waived or changed except by written endorsement issued to form a part of this Policy.

VII. NO ACTION AGAINST INSURER

- A. No action shall be taken against the Insurer unless, as a condition precedent, there shall have been full compliance with all the provisions of this Policy or until the amount of the **Insureds'** obligation to pay shall have been finally determined either by final and nonappealable judgment against the **Insureds** after trial or by written agreement of the **Insureds**, the claimant and the Insurer.
- B. No person or organization shall have any right under this Policy to join the Insurer as a party to any **Claim** against the **Insureds** to determine the **Insureds'** liability, nor shall the Insurer be impleaded by the **Insureds** or their legal representatives in any such **Claim**.

VIII. ASSIGNMENT OF INTEREST

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed to this Policy.

IX. TERRITORY

Coverage shall apply worldwide.

X. ENTIRE AGREEMENT

The **Insureds** agree that this Policy constitutes the entire contract existing between them and the Insurer or any of its agents relating to this insurance.

XI. COORDINATION AMONG COVERAGE PARTS

Subject always to the applicable Limit of Liability, should two or more **Coverage Parts** apply to the same **Claim**; the Insurer will not pay more than the actual **Loss** incurred by the **Insureds**.

XII. COVERAGE FOR NEW SUBSIDIARIES AND PLANS

- A. If, after the effective date of this Policy:



1. an **Insured Entity** creates or acquires a privately held entity or plan, or
2. an **Insured Entity** or any **Plan** merges with another privately held entity or plan such that an **Insured Entity** or any **Plan** is the surviving entity or plan,

then such entity or plan, and any subsidiaries, plans, directors, officers, trustees or employees of such entity or plan who otherwise would thereby become an **Insured**, shall be automatically covered under this Policy, subject to its terms and conditions.

Notwithstanding the above, solely with respect to the coverage provided under the **Crime Coverage Part**, Section V, **CONDITIONS**, Paragraph A. 2 **New Employee Benefit Plans**, of the **Crime Coverage Part** controls whether or not such newly created, acquired, or merged plan is an **Insured** as set forth above.

- B. Solely with respect to any liability **Coverage Part**, there shall be no coverage for any **Wrongful Act** by such created, acquired or merged entity or **Plan**, or by any persons or entities considered to be **Insureds** pursuant to paragraph A of this Section, where such **Wrongful Act** occurred in whole or in part before the effective date of such acquisition or merger or for any **Wrongful Act** occurring on or after such date which, together with any **Wrongful Acts** occurring before such date, would be considered **Interrelated Wrongful Acts**.

XIII. CHANGE OF STATUS OF INSUREDS

A. Takeover of the Named Insured

In the event of a **Takeover** of the **Named Insured**, coverage under this Policy shall continue until this Policy expires or is otherwise terminated, but only with respect to **Wrongful Acts** or **Crime Loss** that takes place before the effective date of the **Takeover**, unless:

1. the Insurer is notified in writing of the **Takeover** prior to the **Takeover** effective date and agrees in writing to provide coverage for **Wrongful Acts** occurring on or after such effective date, and
2. the **Named Insured** accepts any special terms, conditions, exclusions or additional premium charge required by the Insurer.

B. Cessation of Subsidiary

If any **Insured Entity** ceases to be a **Subsidiary**, coverage under this Policy shall continue for such **Subsidiary** but only for **Wrongful Acts** by such **Subsidiary** or any **Insured Person** or **Plan** of such **Subsidiary** occurring prior to the date such **Insured Entity** ceased to be a **Subsidiary**.

C. Transfer or Termination of a Plan

If the sponsorship of a **Plan** is transferred so that an **Insured Entity** is no longer the sole employer sponsor of such **Plan** or if a **Plan** is terminated, coverage under this Policy shall continue for any **Wrongful Act** by or with respect to such **Plan** occurring prior to the date of such transfer or termination.

XIV. TRADE AND ECONOMIC SANCTIONS

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

XV. VALUATION

All premiums, limits, retentions, **Loss** and other amounts under this policy are expressed and payable in United States of America currency. If any judgment, settlement or any part of **Loss** is expressed or calculated in any other currency, payment of such **Loss** due under this Policy will be made in the currency of the United States of America, at the rate of exchange published in The Wall Street Journal on the date the Insurer's obligation to pay such **Loss** is established, or, if not published on that date, on the date of next publication.



XVI. HEADINGS

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

XVII. BANKRUPTCY

Bankruptcy or insolvency of any Insured shall not relieve the Insurer of any of its obligations hereunder.

THOSE LIABILITY COVERAGE PARTS DESIGNATED AS "CLAIMS MADE" APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. CLAIMS MADE UNDER ANY CLAIMS MADE LIABILITY COVERAGE PARTS MUST BE REPORTED IN ACCORDANCE WITH THE SECTION XXII., NOTICE/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AGAINST THE INSURED AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT THAT, THE EXTENDED REPORTING PERIOD APPLIES. DEFENSE COSTS REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER. THE FOLLOWING TERMS AND CONDITIONS APPLY ONLY TO LIABILITY COVERAGE PARTS:

XVIII. EXTENDED REPORTING PERIOD

Solely with respect to those Liability Coverage Parts written on a claims made basis, the following applies:

A. Optional Extended Reporting Period

If the **Named Insured** cancels or non-renews this Policy or if the Insurer decides not to offer any renewal terms for this Policy, the **Named Insured** shall have the right to purchase, upon payment of an additional premium an extension of this Policy immediately following the end of the **Policy Period**, but only with respect to any **Wrongful Act** committed before the earlier of the end of the **Policy Period** or the effective date of any **Takeover**. The additional premium for such extension is a percentage of the total **Policy Premium** attributable to the **Policy Year** in effect upon such cancellation or non-renewal. For a one year extension, the premium equals seventy-five percent (75%) of such total **Policy Premium**; for a two year extension, the additional premium equals one hundred and twenty-five percent (125%) of such total **Policy Premium**; and for a three year extension, the additional premium equals one hundred and fifty percent (150%) of such total **Policy Premium**.

This period shall be referred to as the Extended Reporting Period.

B. Payment of Extended Reporting Period Premium

As a condition precedent to the right to purchase the Extended Reporting Period, the total premium for this Policy must have been paid. The right to purchase the Extended Reporting Period ends sixty (60) days after termination or expiration of the **Policy Period** unless the Insurer receives written notice and full payment of the premium for such Extended Reporting Period within sixty (60) days after such termination or expiration.

C. Non-Cancelable/Premium Fully Earned

If the Extended Reporting Period is purchased, the entire premium shall be deemed fully earned at its commencement without any obligation by the Insurer to return any portion thereof.

D. No Separate Limit

There is no separate or additional limit of liability for the Extended Reporting Period. The remainder of the Limit of Liability applicable to the **Policy Year** in effect at the end of the **Policy Period** is the limit of liability for all **Claims** reported during the Extended Reporting Period.

XIX. ESTATES, LEGAL REPRESENTATIVES AND SPOUSES

Solely with respect to **Liability Coverage Parts**, the estates, heirs, legal representatives, assigns, spouses and any **Domestic Partners** of the **Insured Persons** shall be considered **Insureds** under this Policy; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns, spouses and **Domestic Partners** only for **Claims** arising solely out of their status as such and, in the case of a spouse or **Domestic Partner**, where such **Claim** seeks damages from marital community property, jointly held property or property transferred from the **Insured Person** to the spouse or **Domestic Partner**. No coverage is provided for any act, error or omission of an estate, heir, legal representative, assign, spouse or **Domestic Partner**. All terms and conditions of this Policy, including without limitation the retention, applicable to **Loss** incurred by the **Insured Person**, shall also apply to loss incurred by such estates, heirs, legal representatives, assigns, spouses and **Domestic Partners**.

XX. LIMITS OF LIABILITY/RETENTIONS

Solely with respect to **Liability Coverage Parts**:

A. Options

This Policy is offered with one of the following options as set forth in the respective **Management Liability Coverage Part** Declarations or the **Professional Liability Coverage Part** Declarations:

1. a Single per **Policy Year** Limit of Liability and Scheduled Retentions; or,
2. Scheduled per **Policy Year** Limits of Liability and Scheduled Retentions.

The **Policy Year** Limits of Liability may not be aggregated or transferred, in whole or in part, so as to provide any additional coverage with respect to **Claims** first made or deemed made during any other **Policy Year**. If the applicable Limits of Liability of for any **Policy Year** are exhausted, the Insurer's obligation for that **Policy Year** shall be deemed completely fulfilled and extinguished.

B. Single Limit of Liability Option

Where the Single Limit of Liability Option has been selected, as set forth in the respective **Management Liability Coverage Part** Declarations or the **Professional Liability Coverage Part** Declarations, the limits apply as follows:

1. the limit of liability set forth in the **Management Liability Coverage Part** Declarations shall be the maximum per **Policy Year** aggregate limit of liability of the Insurer for all **Loss** under this Policy from all **Management Liability Coverage Parts** shown on the **Management Liability Coverage Part** Declarations, regardless of the number of such **Coverage Parts**.
2. the limit of liability set forth in the **Professional Liability Coverage Part** Declarations shall be the maximum per **Policy Year** aggregate limit of liability of the Insurer for all **Loss**, all **Privacy Event Expenses**, and all **Network Extortion Expenses** under this Policy from all **Professional Liability Coverage Parts** shown on the **Professional Liability Coverage Part** Declarations, regardless of the number of such **Coverage Parts**.

C. Scheduled Limits of Liability Option

Where the Scheduled Limits of Liability Option as set forth in the respective **Management Liability Coverage Part** Declarations or the **Professional Liability Coverage Part** Declarations, the Scheduled Limits of Liability for each **Coverage Part** shall apply as separate Limits of Liability for each such **Coverage Part** and shall be the maximum per **Policy Year** aggregate limit of liability of the Insurer for all **Loss**, all **Privacy Event Expenses** and all **Network Extortion Expenses** under the respective **Coverage Part** for each **Policy Year**.

D. Each Claim Limits of Liability

Subject to the applicable Limit of Liability provided in Paragraph B. or C., above, the amounts set forth in the **Professional Liability Coverage Part** Declarations as the each **Claim** Limit of Liability shall be the per **Policy Year** limit of liability of the Insurer for all **Loss** for each such **Claim**.

E. Privacy Event Expenses/Network Extortion Expenses Sub-Limit of Liability

Subject to the applicable Limits of Liability provided in Paragraph B., C. or D., above:

1. the amount set forth in the Professional Liability **Coverage Part** Declarations, if any, as the **Privacy Regulation Proceedings** in the Aggregate Limit shall be the per **Policy Year** limit of liability of the Insurer for all **Loss** for all **Privacy Regulation Proceedings**;
2. the amounts set forth in the Professional Liability **Coverage Part** Declarations, if any, as the **Privacy Event Expenses** in the Aggregate Limit and as the **Network Extortion Expenses** in the Aggregate Limit are the per **Policy Year** limits of liability of the Insurer for all such **Privacy Event Expenses** and all such **Network Extortion Expenses**.

Such amounts as set forth in paragraphs E. 1 and 2 above are sublimits of liability which further reduce, and in no way increase, the applicable each **Claim** and Aggregate Limits of Insurance as set forth on the Professional Liability **Coverage Part** Declarations.

F. Additional Limit of Liability for Non-Indemnifiable Loss

Solely with respect to Section I, INSURING AGREEMENT A. of the Directors & Officers Liability **Coverage Part**, there is an additional Limit of Liability which shall not exceed \$1,000,000 (the "non-indemnifiable **Loss** limit") per **Policy Year**. This non-indemnifiable **Loss** limit is available only after the applicable Limits of Liability as set forth in the Management Liability **Coverage Part** Declarations has been exhausted.

G. Retentions

1. Retentions set forth in the respective Management Liability **Coverage Part** Declarations or the Professional Liability **Coverage Part** Declarations shall apply under each **Coverage Part** as set forth in such Declarations. The Insurer shall pay **Loss** in excess of any retention as it becomes due and payable to the **Insureds**.
2. Subject to paragraph 3. below, the Insurer's obligation to pay **Loss** is in excess of any applicable retentions. The Insurer will have no obligation to pay all or any portion of any applicable retention. Should the Insurer, in its sole discretion, pay any retention, then the **Named Insured** shall have the obligation to reimburse the Insurer for such amounts.
3. Solely with respect to the Directors & Officers Liability **Coverage Part** and the Fiduciary Liability **Coverage Part**, no retention applies to any **Insured Person** with respect to any **Claim** against such **Insured Persons** if:
 - a. the **Insured Entity** and/or any **Plan** are not permitted to advance **Defense Costs** or to indemnify such **Insured Person** for **Loss** by reason of:
 - i. **Financial Insolvency**; or
 - ii. a good faith determination by the **Insured Entity** and/or any **Plan** that such payment is not permitted under the broadest construction of applicable law; or,
 - b. there is a determination of **No Liability** of such **Insured Person** with respect to such **Claim**, or if such **Claim** is dismissed, or, there is a stipulation to dismiss such **Claim**, with prejudice and without the payment of any consideration.
4. Subject to Section XI. **Coordination Among Coverage Parts**, if a **Single Loss** is covered under more than one **Coverage Part** and if more than one retention applies to such **Single Loss**, the maximum total retention amount applicable to such **Single Loss** shall be the highest of such applicable retentions.

H. Supplementary Payment - Defendant Reimbursement

If the Insurer requests an **Insured Person's** presence at a trial, hearing, deposition, mediation or arbitration, the Insurer will pay up to \$250.00 a day per person for reimbursement of costs and expenses incurred in connection with such presence, subject to a maximum amount of \$2,500 per **Claim** per **Policy Year**. Such payments are in addition to the limits of liability and do not erode any retention.

I. Multiple Insureds, Claims and Claimants

The applicable limit of liability shown in the respective Management Liability Coverage Part Declarations or the Professional Liability Coverage Part Declarations, and subject to the provisions of this Policy, is the amount the Insurer will pay for Loss, Privacy Event Expenses (as applicable) or Network Extortion Expenses (as applicable) per Policy Year regardless of the number of Insureds, Claims (including Privacy Regulation Proceedings), Privacy Events, Network Extortions, or persons or entities making Claims.

XXI. DEFENSE/SETTLEMENT/MEDIATION/PRE-CLAIM ASSISTANCE

Solely with respect to Liability Coverage Parts, and solely with respect to those Claims that are not Privacy Regulation Proceedings:

A. Defense of Claims

The Insurer has the right and duty to defend all Claims even if the allegations are groundless, false or fraudulent. The Insurer shall have the right to appoint counsel and to make such investigation and defense of a Claim as it deems necessary. Alternatively the Insurer may at its option, give its written consent to the defense of any such Claim by the Insureds. The Insurer's obligation to defend any Claim or pay any Loss, including Defense Costs, shall be completely fulfilled and extinguished if the applicable limit of liability has been exhausted by payment of Loss.

B. Settlement**1. Consent**

The Insurer shall not settle a Claim without the written consent of the Named Insured. If the Named Insured refuses to consent to a settlement or compromise recommended by the Insurer, and acceptable to the claimant, then the limit of liability applicable to such Claim for all Loss including Defense Costs under this Policy shall be reduced to:

- a. the amount of the proposed settlement plus Defense Costs incurred up to the date of the Named Insured's refusal to consent to proposed settlement of such Claim;

plus, solely with respect to the Directors & Officers Liability Coverage Part, the Employment Practices Liability Coverage Part; and the Fiduciary Liability Coverage Part:

- b. eighty percent (80%) of any Loss, including Defense Costs, in excess of the amount referenced in paragraph a. above, incurred in connection with such Claim. The remaining twenty percent (20%) of any Loss, including Defense Costs, in excess of the amount referenced in paragraph a. above will be borne uninsured and at the Insured's own risk;

which amount shall not exceed the remainder of the applicable limit of liability specified in the Management Liability Coverage Part Declarations or the Professional Liability Coverage Part Declarations.

2. Mediation

If, prior to institution of arbitration proceedings or service of suit or within sixty (60) days of the institution of such proceedings or service of suit, the Insurer and the Named Insured agree to use a process of non binding intervention by a neutral third party to resolve any Claim reported to the Insurer, and if such Claim is resolved through such process, the Insurer will reduce the retention applicable to such Claim by fifty percent or ten thousand dollars (\$10,000.00), whichever is less.

3. Admission

The Insureds shall not admit liability, consent to any judgment, agree to any settlement or make any settlement offer without the Insurer's prior written consent, such consent not to be unreasonably withheld. The Insurer shall not be liable for any Loss to which it has not consented. The Insureds agree that they shall not knowingly take any action which increases the Insurer's exposure for Loss under this Policy.

4. Payment of Loss in Excess of Retentions

The Insurer is liable to pay only that amount of a covered **Single Loss** in excess of the applicable retention, if any, up to the applicable limit of liability. The retention shall be uninsured.

5. **Cooperation/Assistance of Insureds**

The **Insureds** shall furnish the Insurer with copies of reports, investigations, pleadings, and all related papers, and such other information, assistance and cooperation as the Insurer may reasonably request.

C. **Pre-Claim Assistance**

Until the date a **Claim** is made, the Insurer may pay for all costs or expenses it incurs, at its sole discretion, as a result of investigating a circumstance that an **Insured** reports in accordance with Section **XXII. NOTICE/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE**. Should a circumstance be investigated pursuant to this Section, and that circumstance later becomes a covered **Claim** under this Policy, then the limits of liability and the retention applicable to such **Claim** shall apply to such **Claim**.

D. **Defense of Privacy Regulation Proceedings**

Solely with respect to those **Claims** that are **Privacy Regulation Proceedings**, the **Insureds** and not the Insurer have the duty to defend any **Privacy Regulation Proceedings**. The Insurer shall be entitled to effectively associate in the defense and the negotiation of any settlement of any **Privacy Regulation Proceeding** that involves or appears reasonably likely to involve the Insurer.

E. **Allocation**

If, in any **Claim** under a liability **Coverage Part**, the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by this Policy and also loss that is not covered by this Policy because such **Claim** includes both covered and uncovered matters or covered and uncovered parties, then coverage shall apply as follows:

1. **Defense Costs**: one hundred percent (100%) of reasonable and necessary **Defense Costs** incurred by such **Insured** from such **Claim** will be considered covered **Loss**; and
2. loss other than **Defense Costs**: all remaining loss incurred by such **Insured** from such **Claim** will be allocated between covered **Loss** and uncovered loss based upon the relative legal exposures of the parties to such matters.

XXII. NOTICE/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE

Paragraphs A. and B. apply only to those **Liability Coverage Parts** written on a claims made basis.

A. **Notice of Claim or Privacy Event**

The **Insureds** shall, as a condition precedent to the obligations of the Insurer under this Policy, give prior written notice to the Insurer of a **Claim** or a **Privacy Event** as soon as practicable after the **Named Insured's** Chief Executive Officer, Chairperson, Chief Financial Officer, President, Risk Manager, In-House General Counsel or Plan Fiduciary (or any equivalent position) learns of such **Claim** or **Privacy Event** but in no event later than ninety (90) days after termination or expiration of the **Policy Period** or any subsequent renewal **Policy Period** in an uninterrupted series of renewals, or prior to the expiration of the Extended Reporting Period, if applicable.

B. **Notice of Circumstance**

If, during the **Policy Period** or the Extended Reporting Period, if applicable, the **Insureds** first become aware of a **Wrongful Act** that occurred during the **Policy Period** which may reasonably give rise to a future **Claim** (a "circumstance") and during such period give written notice to the Insurer of:

1. the names of any potential claimants and a description of the **Wrongful Act** which forms the basis of their potential **Claim**;
2. the identity of the specific **Insureds** allegedly responsible for such specific **Wrongful Act**;

3. the consequences which have resulted or may result from such specific **Wrongful Act**;
4. the nature of the potential monetary damages or non-monetary relief which may be sought in consequence of such specific **Wrongful Act**; and,
5. the circumstances by which **Insureds** first became aware of such specific **Wrongful Act**;

then any **Claim** otherwise covered pursuant to a **Coverage Part** which is subsequently made and which arises out of such circumstance shall be deemed to have been first made and reported to the Insurer by the **Insureds** at the time such written notice was received by the Insurer. No coverage is provided for fees and expenses incurred prior to the time such notice results in a **Claim**.

C. Notice of Occurrence for the Media Liability Coverage Part (Occurrence)

Solely with respect to the **Media Liability Coverage Part (Occurrence)**, the **Insureds**, as a condition precedent to the obligations of the Insurer under **Media Liability Coverage Part**, shall give written notice to the Insurer as set forth in such Occurrence form.

D. Interrelated Claims

1. More than one **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as one **Claim** which shall be deemed made on the earlier of:
 - a. the date on which the earliest such **Claim** was first made, or
 - b. the first date valid notice was given by the **Insureds** to the Insurer under this Policy of any **Wrongful Act** or under any prior policy of any **Wrongful Act** or any fact, circumstance, situation, event or transaction which underlies any such **Claim**.
2. More than one **Privacy Event** involving the same **Wrongful Act** or **Related Wrongful Acts** shall be considered as one **Privacy Event** which shall be subject to the **Privacy Event** limit applicable to the earliest such **Privacy Event** reported to the Insurer under this Policy or under any prior policy.

E. To Whom Notice of Claim or Circumstance is Sent

The **Insureds** shall give written notice of Claims or circumstances to the Insurer under this Policy as specified in the Policy Declarations, which notice shall be effective upon receipt.

XXIII. OTHER INSURANCE

Solely with respect to **Liability Coverage Parts**:

- A. If any **Loss** resulting from any **Claim** is insured under any other valid and collectible insurance, this Policy shall apply only as excess over such other insurance unless such other insurance is written only as specific excess insurance over the limit of liability provided by this Policy.
- B. Any coverage under this Policy for **Claims** against any **Insured Person** while acting as an **Outside Entity Executive** shall be specifically excess of any valid and collectible insurance and/or indemnification available to such **Outside Entity Executive** from the **Outside Entity**. Payment by the Insurer or any affiliate of the Insurer under another policy as a result of a **Claim** against an **Insured Person** while acting as an **Outside Entity Executive** shall reduce, by the amount of such payment, the Insurer's Limit of Liability under this Policy with respect to such **Claim**.

XXIV. SUBROGATION AND RECOVERY

Solely with respect to **Liability Coverage Parts**:

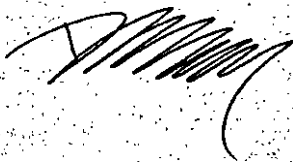
- A. To the extent it pays any **Loss**, the Insurer shall be subrogated to all the **Insureds'** rights of recovery therefore, including without limitation an **Insured Person's** right to indemnification or advancement from an **Insured Entity**. The **Insureds** shall execute all papers necessary to secure such rights, including executing any documents necessary to enable the Insurer effectively to bring suit in their name, and shall take no action which impairs the Insurer's rights of subrogation or recovery.

- B. If a **Single Loss** is in part insured and in part uninsured under this Policy or is in an amount in excess of the applicable limit of liability, the **Insureds** and the Insurer shall attempt to agree upon an equitable allocation of any recoveries made, whether before or after payment of the **Loss** by the Insurer, from any person or source responsible for causing the **Loss**. Reasonable expenses incurred in making a recovery shall always have priority of payment from all such recoveries. If, after exerting their best efforts, the **Insureds** and the Insurer are unable to agree upon such an allocation after taking into account due consideration for the respective parties' willingness to pay the expenses of making any recovery, the Insurer, if requested by the **Insureds**, shall submit the dispute to binding arbitration. The rules of the American Arbitration Association shall apply with respect to the selection of the arbitration panel, which shall consist of one arbitrator selected by the **Insureds**, one arbitrator selected by the Insurer, and a third independent arbitrator selected by the first two arbitrators.
- C. In no event shall the **Insureds** be entitled to recoup from recoveries any amount to satisfy any retention until after all amounts which the Insurer is required to pay or pays under any applicable **Coverage Part** are reimbursed to the Insurer.
- D. No person or **Insured Entity** shall have any right under this Policy to join the Insurer as a party to any **Claim** against the **Insureds** to determine the **Insureds'** liability, nor shall the Insurer be impleaded by the **Insureds** or their legal representatives in any such **Claim**.
- E. Solely with respect to coverage under the **Fiduciary Liability Coverage Part**, the Insurer shall have the right to full recourse against **Insured Persons** who actually commit a **Wrongful Act**, provided however, that if the **Insured Persons** or the **Insured Entity** shall have paid the premium set forth in the **Policy Declarations** and no part of such premium has been paid, directly or indirectly, from any assets of the **Plan**, then the Insurer shall have no such rights of recourse.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its Chairman and Secretary at Chicago, Illinois, but the same shall not be binding upon the Insurer unless countersigned by a duly authorized representative of the Insurer.

Chairman

Secretary





For purposes of this Policy, words in bold, whether expressed in the singular or the plural, have the meaning set forth below.

ADMINISTRATOR

Administrator means an **Insured** who renders **Administration Services** in connection with the **Plan**.

ADMINISTRATION SERVICES

Administration Services means any of the following services in connection with the **Plan**:

1. communicating with or providing information to **Employees** or **Plan** participants or beneficiaries regarding any **Plan**;
2. determining vesting and eligibility for **Plan** participation or benefits;
3. calculating benefits provided under the **Plan**;
4. processing applications and related forms required for the payment of benefits;
5. performing any record-keeping and data processing functions required by **ERISA** or any **Similar Act** or the **Plan**;
6. preparing and filing any necessary reports or returns required under **ERISA** or any **Similar Act** or the Internal Revenue Code, and the regulations thereunder;
7. effecting the payment of benefits or authorized administrative expenses; or
8. enrolling, terminating or canceling **Employees** or **Plan** participants or beneficiaries.

APPLICATION

Application means all signed applications for this Policy and for any policy in an uninterrupted series of policies issued by the Insurer or any affiliate of the Insurer of which this Policy is a renewal or replacement. **Application** includes any materials submitted or required to be submitted therewith. An "affiliate of the Insurer" means an insurer controlling, controlled by, or under common control with, the Insurer.

ASSUMED UNDER CONTRACT

Assumed Under Contract means liability of others, for **Material** furnished by the **Insured**, that the **Insured** agrees to assume under a hold harmless or indemnity agreement but only to the extent such liability arises out of any **Media Activity**.

CLAIM

Claim means:

1. a written demand for monetary damages or non-monetary relief (including demands for injunctive or declaratory relief) against an **Insured** alleging a **Wrongful Act**, which **Claim** shall be deemed made on the date of the **Insureds'** receipt of such written demand; or
2. a written request received by the **Insured** to toll or waive a statute of limitations in connection with a **Claim** as defined in paragraph I. through V. below, which **Claim** shall be deemed made on the date of the **Insureds'** receipt of such written request; or

When used in the:

I. Directors & Officers Liability Coverage Part, Claim also means:

- A. solely with respect to the Insuring Agreements A., B. and C.1., a proceeding which is
- i. a civil or criminal proceeding in a court of law or equity or any alternative dispute resolution proceeding; or,
 - ii. a formal civil or criminal administrative or regulatory proceeding;
- against an **Insured** alleging a **Wrongful Act**, including any appeal therefrom. Such **Claim** shall be deemed made on the earliest of the date of service upon, or other receipt by, any **Insured** of a complaint, subpoena, indictment, notice of charge or similar document in such proceeding or arbitration;
- B. solely with respect to Insuring Agreements A. and B., a formal civil, criminal, administrative or regulatory investigation of an **Insured Person** alleging a **Wrongful Act**, which **Claim** shall be deemed made upon such **Insured Person** being identified by name in a formal order of investigation, Wells Notice, target letter (within the meaning of Title 9, §11.151 of the United States Attorney's Manual), or similar document, as someone against whom a formal civil, criminal, administrative or regulatory investigation may be brought; or,
- C. solely when used with respect to Insuring Agreement C.2., a **Shareholder Demand** which **Claim** shall be deemed made on the date of any **Insured's** receipt of such written demand;

II. Employment Practices Liability Coverage Part, Claim also means:

- A. a civil proceeding in a court of law or equity or any alternative dispute resolution proceeding; or,
- B. a formal civil administrative or regulatory proceeding or formal civil, administrative or regulatory investigation (including an **EEOC Proceeding**);

against an **Insured**, alleging a **Wrongful Employment Practice**, including any appeal therefrom. Such **Claim** shall be deemed made on the earliest of the date of service upon, or other receipt by, any **Insured** of a complaint, subpoena, formal order of investigation, target letter (within the meaning of Title 9, §11.151 of the United States Attorney's Manual), or similar document in such proceeding, arbitration or investigation.

However, **Claim** does not include any criminal proceeding, criminal administrative or criminal regulatory proceeding or criminal investigation. Nor does **Claim** include an audit conducted by the Office of Federal Contract Compliance Programs unless a Notice of Violation, Order to Show Cause or written demand for monetary relief or injunctive relief has been issued;

III. Fiduciary Liability Coverage Part, Claim also means a proceeding which is a:

- A. civil or criminal proceeding in a court of law or equity or any alternative dispute resolution proceeding; or
- B. a formal civil or criminal administrative or regulatory proceeding or formal civil, administrative or regulatory investigation;

against an **Insured** alleging a **Wrongful Act**, including any appeal therefrom. Such **Claim** shall be deemed made on the earliest of service upon, or other receipt by, any **Insured** of a complaint, subpoena, indictment, notice of charge, formal order of investigation, target letter (within the meaning of Title 9, §11.151 of the United States Attorney's Manual), or similar document in such proceeding, arbitration or investigation.

IV. Miscellaneous Professional Liability Coverage Part, the Media Liability Coverage Part and the Technology & Telecommunications Liability Coverage Part. Claim also means a proceeding which is a:

- A. civil proceeding in a court of law or equity or any alternative dispute resolution proceeding;
- B. a formal civil administrative or regulatory proceeding or formal civil, administrative or regulatory investigation,

against an **Insured**, alleging a **Wrongful Act** including any appeal therefrom. Such **Claim** shall be deemed made on the earliest of the date of service upon, or other receipt by, any **Insured** of a complaint, subpoena, formal order of investigation, or similar document in such proceeding, arbitration or investigation.



However, a **Claim** does not include any criminal proceeding, criminal administrative or criminal regulatory proceeding or criminal investigation or informal civil investigation; and,

V. Network Security & Privacy Injury Liability Coverage Part, Claim also means:

A civil proceeding in a court of law or equity or any alternative dispute resolution proceeding, or **Privacy Regulation Proceeding**, against an **Insured**, alleging a **Wrongful Act** including any appeal therefrom. Such **Claim** shall be deemed made on the earliest of the date of service upon, or other receipt by, any **Insured** of a complaint, or similar document in such proceeding or arbitration.

However, a **Claim** does not include any criminal proceeding or criminal or civil investigation. Nor does **Claim** include any regulatory proceeding except if the regulatory proceeding is a **Privacy Regulation Proceeding**.

COMPLIANCE COSTS

Compliance Costs means:

1. **Consulting Fees** incurred in connection with, or
2. any fines, penalties or sanctions paid by an **Insured** to a governmental authority pursuant to, a **Voluntary Compliance Program** for the actual or alleged inadvertent non-compliance by a **Plan** with any statute, rule or regulation; provided **Compliance Costs** shall not include: (i) any costs to correct the non-compliance, or (ii) any **Consulting Fees**, fines, penalties or sanctions relating to a **Plan** which, as of the earlier of inception of this **Policy** or inception of the first policy in an uninterrupted series of policies issued by the **Insurer** of which this **Policy** is a direct or indirect renewal or replacement, any **Insured Person** knew to be actually or allegedly non-compliant.

CONSULTING FEES

Consulting Fees means reasonable and necessary fees, costs and expenses incurred by the **Insureds** with the prior written consent of the **Insurer**, including the fees charged by a third party actuary, benefits consultant, accountant or legal counsel, resulting solely from the correction of an actual or alleged inadvertent non-compliance by a **Plan** with any statute, rule or regulation. However, **Consulting Fees** shall not include fees, costs or expenses relating to a **Plan** audit or relating to finding, assessing or identifying such violation.

COVERAGE PART

Coverage Part means only those coverage parts designated as included in the Declarations.

DEFENSE COSTS

Defense Costs with respect to all **Liability Coverage Parts** (except **Insuring Agreement C.2. of the Directors & Officers Liability Coverage Part**), means:

1. all fees charged by attorneys designated by the **Insurer**, and all reasonable fees charged by attorneys designated by the **Named Insured** with the **Insurer's** prior written consent;
2. all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim** incurred by the **Insurer** or by the **Insureds** with the prior written consent of the **Insurer**; and,
3. the costs of appeal, attachment or similar bonds. The **Insurer** has no obligation to provide such bonds.

Defense Costs do not include any fees, costs or expenses incurred by an **Insured** to the extent the **Defense Costs** are without the **Insurer's** prior written consent.

Solely with respect to **Insuring Agreement C.2. of the Directors & Officers Liability Coverage Part**, **Defense Costs** means **Investigative Costs**.



All fees, costs and expenses incurred in the investigation, adjustment, defense and appeal of a **Claim** must be reasonable and necessary to the defense of the **Claim**.

However, **Defense Costs** does not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers, **Employees** of the **Insured Entity**.

DENIAL OF SERVICE ATTACK

Denial of Service Attack means an attack executed over one or more networks or the Internet, which attack is specifically designed and intended to disrupt the operation of a network and render a network inaccessible to authorized users.

DIRECT AND CONTINUOUS PHYSICAL CONTROL

Direct and Continuous Physical Control means at all times:

1. located within a facility occupied by the **Insured Entity** where the **Insured Entity** physically limits access to the facility to only **Insureds** who are authorized by the **Insured Entity** to access information on the laptop, and where the **Insured Entity** does not permit access by third parties unless they are escorted at all times by an **Insured Person**;
2. within an **Insured Person's** physical reach and unobstructed view while such **Insured Person** is awake; or,
3. within a locked container, vehicle or premise which:
 - a. can only be unlocked by an **Insured Person**;
 - b. where the **Insured** has not entrusted the keys or combination (if secured by a combination lock) to a third party other than a **Third Party Custodian**; and,
 - c. where any such locked container is physically affixed to the structure of a building or premise in a manner that precludes its removal.

DOMESTIC PARTNER

Domestic Partner means any person qualifying as a "domestic partner" under any federal, state or local laws or under the **Insured Entity's** employee benefit plans.

EEOC PROCEEDING

EEOC Proceeding means an investigative proceeding before the Equal Employment Opportunity Commission or an adjudicatory or investigative proceeding before any similar federal, state or local government body whose purpose is to address **Wrongful Employment Practices**.

EMPLOYEE

Employee means all past, present or future full-time or part-time employees of the **Insured Entity** or **Plan**, including seasonal and temporary employees and employees leased or loaned to the **Insured Entity**. **Employee** does not include any volunteers or independent contractors except when used in connection with the **Employment Practices Liability Coverage Part**.

When used in connection with the **Crime Coverage Part**, **Employee** has the meaning set forth therein.

EMPLOYMENT RELATED BENEFITS

Employment Related Benefits means perquisites, fringe benefits, deferred compensation or payments (including insurance premiums) in connection with an employee benefit plan, **Stock Benefits** and any other payment to or for the benefit of an **Employee** arising out of the employment relationship. **Employment Related Benefits** shall not include salary, wages, commissions, or non-deferred cash incentive compensation.

ERISA OR ANY SIMILAR ACT

ERISA or any Similar Act means the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law of the United States, Canada or their states, territories or provinces or any other jurisdiction anywhere in the world.

EXECUTIVE

Executive means any past, present or future:

1. duly elected or appointed director, officer, trustee, governor or **Manager** of the **Insured Entity or Plan**;
2. management committee member if the **Insured Entity** is a joint venture; or,
3. official in the **Insured Entity** organized and operated in a **Foreign Jurisdiction** who is holding a position that is equivalent to an executive position listed in 1. or 2. above.

When used in the Employment Practices Liability **Coverage Part**, **Executive** also includes the director of human resources or functional equivalent position of any **Insured Entity**.

FIDUCIARY

Fiduciary means any **Insured Person** who is described as a fiduciary with respect to the **Plan** in Section 3(21)(A) of Employee Retirement Income Security Act of 1974, as amended.

FINANCIAL INSOLVENCY

Financial Insolvency means:

1. the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such **Insured Entity or Plan**; or such **Insured Entity or Plan** becoming a debtor in possession; or
2. the inability of such **Insured Entity or Plan** financially or under applicable law to advance **Defense Costs** or indemnify the **Insured Persons** for **Loss**.

FOREIGN JURISDICTION

Foreign Jurisdiction means any jurisdiction, other than the United States or any of its territories or possessions.

INJURY

Injury means:



1. any form of libel, slander or defamation or other tort related to disparagement or harm to the character, reputation or feelings of any person or organization, including product disparagement, or trade libel;
2. any form of invasion, infringement or interference with rights of privacy or publicity, including false light, public disclosure of private facts, intrusion and commercial appropriation of name or likeness;
3. false arrest, detention or imprisonment or malicious prosecution;
4. wrongful entry or eviction, trespass, eavesdropping or other invasion of the right of private occupancy;
5. infringement of copyright, title, slogan, logo, trademark, trade name, trade dress, service mark or service name;
6. plagiarism, piracy, misappropriation of ideas, including ideas under implied contract, or other misappropriation of intellectual property rights or information;
7. unfair competition or unfair trade practices alleged in conjunction with 5. and 6. above, including but not limited to dilution, confusion, deceptive trade practices or unfair trade practices, civil actions for consumer fraud, false, disruptive or misleading advertising or misrepresentation in advertising;
8. negligent supervision of an **Employee** alleged in conjunction with 1. through 7. above; or
9. negligent or intentional infliction of emotional distress, outrage or outrageous conduct.

INSURED

Insured means the **Insured Person** and the **Insured Entity**.

When used in the **Fiduciary Liability Coverage Part**, **Insured** also means any **Plan**.

INSURED ENTITY

Insured Entity means the **Named Insured** and any **Subsidiary** including any such entity as a debtor in possession under United States bankruptcy law or an equivalent status under the law of any other country.

When used in connection with the **Crime Coverage Part**, **Insured** has the meaning set forth therein.

INSURED PERSON

Insured Person means **Executives** and **Employees** of the **Insured Entity**.

When used in the:

- I. **Directors & Officers Liability Coverage Part**, **Insured Person** also includes any **Outside Entity Executive**;
- II. **Fiduciary Liability Coverage Part**, **Insured Person** also includes **Executives** or **Employees** of any **Plan**;
- III. **Miscellaneous Professional Liability Coverage Part**, **Media Liability Coverage Part**, **Technology & Telecommunications Liability Coverage Part** or the **Network Security and Privacy Injury Liability Coverage Part**, **Insured Person** also includes an independent contractor of the **Insured Entity**; or
- IV. **Media Liability Coverage Part**, **Insured Person** also includes any agent or non-compensated author of the **Insured Entity**.

INTERNET SERVICES

Internet Services means services to obtain, maintain or use Internet connectivity, including:

1. services as an Internet access provider, application service provider, domain name registrar, domain name register, search engine, web browser;
2. web hosting, e-commerce transaction services, electronic exchange and auction services, Internet media services, managed and network security services, public key infrastructure services and web portal services; or
3. development, design and maintenance of chat rooms, websites, e-mail services, bulletin boards.

INTERRELATED WRONGFUL ACTS

Interrelated Wrongful Acts means **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.

INVESTIGATIVE COSTS

Investigative Costs means reasonable and necessary fees and expenses (other than regular or overtime wages or salaries) incurred by the **Insured Entity**, with the prior written consent of the Insurer, in connection with the investigation or evaluation of a **Shareholder Demand**.

LAPTOP COMPUTER BREACH

Laptop Computer Breach means the loss or theft of a laptop computer or a removable storage device that is:

1. in the **Insured's Direct and Continuous Physical Control**; and,
2. used by an **Insured** for a business purpose;

whether or not such laptop is lost or stolen from the **Insured's** premises or from any third party's premises.

LOSS

Loss means:

1. damages, settlements, judgments (including any award of pre-judgment and post-judgment interest on a covered judgment) and **Defense Costs** for which the **Insured** is legally obligated to pay on account of a covered **Claim**; and
2. punitive and exemplary damages and the multiplied portion of multiplied awards (subject to this Policy's other terms, conditions and limitations). Enforceability of this paragraph shall be governed by such applicable law that most favors coverage for such punitive, exemplary and multiplied amounts. As used herein, "applicable law" means the law of any of the following jurisdictions:
 - a. where the **Claim** seeking such **Loss** is brought or where such **Loss** is awarded or imposed; or
 - b. where the **Wrongful Act** giving rise to the **Claim** occurred; or
 - c. where the **Insureds** subject to such **Loss** are incorporated, have their principal place of business or reside; or
 - d. where the Insurer is incorporated or has its principal place of business.

Solely with respect to the:

1. **Directors & Officers Liability Coverage Part, Insuring Agreement C.2, Loss** also includes **Investigative Costs**;



2. **Employment Practices Liability Coverage Part, Loss** also includes back pay and front pay, and liquidated damages awarded pursuant to the Age Discrimination in Employment Act or the Equal Pay Act.

However, **Loss** does not include:

1. any amount for which an **Insured Person** is absolved from payment by reason of any covenant, agreement or court order;
2. any matters which are uninsurable (other than punitive, exemplary and the multiplied portion of multiplied awards as set forth above) under the law pursuant to which this Policy shall be construed.

In addition to the above, and solely with respect to the:

- I. **Directors & Officers Liability Coverage Part, Loss** does not include:

1. civil or criminal fines, penalties, taxes, sanctions or forfeitures imposed on an **Insured** whether pursuant to law, statute, regulation or court rule, other than those civil fines or penalties imposed under 42 USC 1320d-5(a) of the Health Insurance Portability and Accountability Act of 1996, provided however that the maximum limit of the Insurer's liability for all such fines and penalties shall be \$100,000 per **Claim**. This sublimit of Liability is part of and not in addition to the applicable Limits of Liability;
2. any amount (other than **Defense Costs**) attributable to the cost of any non-monetary relief, including without limitation any costs associated with compliance with any injunctive relief of any kind or nature;
3. any amounts for which an **Insured** is liable due to an act or omission in knowing violation of any written contract or agreement or due to its assumption of the liability of others under any contract or agreement; or
4. compensation earned by the claimant in the course of employment but unpaid by the **Insured**, including salary, wages, commissions, severance, bonus or incentive compensation.

- II. **Employment Practices Liability Coverage Part, Loss** does not include:

1. civil or criminal fines, penalties, taxes, sanctions or forfeitures imposed on an **Insured** whether pursuant to law, statute, regulation or court rule;
2. compensation earned by the claimant in the course of employment but unpaid by the **Insured**, including salary, wages, commissions, severance, bonus or incentive compensation; or
3. any amounts for which an **Insured** is liable due to an act or omission in knowing violation of any written contract of employment;
4. amounts, other than **Defense Costs**, representing medical or insurance premiums or benefit claim payments;
5. future salary, wages or commissions of a claimant who is hired, promoted or reinstated to employment pursuant to a settlement of, order in, or other resolution of any **Claim**; or
6. **Employment Related Benefits**.

- III. **Fiduciary Liability Coverage Part, Loss** does not include civil or criminal fines, penalties, taxes, sanctions or forfeitures, imposed on an **Insured** whether pursuant to law, statute, regulation or court rule other than:

1. **Compliance Costs**;
2. the five percent or less or the twenty percent or less penalty imposed upon an **Insured** as a **Fiduciary** under Section 502(i) or 502(l) of ERISA; or,
3. those civil fines or penalties imposed under 42 USC 1320d-5(a) of the Health Insurance Portability and Accountability Act of 1996, provided however that the maximum limit of the Insurer's liability for all such fines and penalties shall be \$100,000 per **Claim**. This sublimit of Liability is part of and not in addition to the applicable Limits of Liability.

IV. Miscellaneous Professional Liability Coverage Part, Media Liability Coverage Part, Technology & Telecommunications Liability Coverage Part, or the Network Security and Privacy Injury Liability Coverage Part, Loss does not include:

1. civil or criminal fines, penalties, taxes, sanctions or forfeitures, imposed on an **Insured** whether pursuant to law, statute, regulation or court rule, except that solely with respect to the Network Security and Privacy Injury Liability Coverage Part this shall not include **Privacy Regulation Fines**;
2. fees, costs and expenses paid or incurred or charged by any **Insured**, no matter whether claimed as restitution of specific funds, financial loss, set-off or paid in the form of service credits or coupons or other non-cash consideration by the **Insured**;
3. liquidated damages pursuant to a written contract or agreement in excess of the **Insured's** liability caused by the **Wrongful Act**;
4. any amounts for which an **Insured** is liable due to an act or omission in knowing violation of any written contract or agreement or due to its assumption of the liability of others under any contract or agreement;
5. solely with respect to the Media Liability Coverage Part, the **Insured's** production costs, or the **Insured's** cost of reprinting, recalling, recovering, shipping, mailing, correcting, reprocessing, restoring, repairing, replacing, or reproducing erroneous, damaged or lost tangible property or **Material**; or
6. funds, monies, or securities that an **Insured** transferred or failed to transfer.

When used in connection with the Crime Coverage Part, Loss has the meaning set forth therein.

MANAGEMENT CONTROL

Management Control means:

1. owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of the Board of Directors of a corporation; the management committee members of a joint venture; or the members of the management board of a limited liability company; or
2. having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of the **Insured Entity**, to elect, appoint or designate a majority of the Board of Directors of a corporation; the management committee of a joint venture; or the management board of a limited liability company.

MANAGER

Manager means any natural person manager, member of the management board or equivalent executive of an **Insured Entity** that is a limited liability company.

MATERIAL

Material means media content, in any format, and all software used to distribute or display such media content; provided however, that **Material** does not include:

1. the goods or products based on or derived from such content; or,
2. the **Insured Entity's** trade name.

MEDIA ACTIVITY

Media Activity means:

1. gathering, acquiring, obtaining, researching, developing, editing, preparing, filming, videotaping and recording **Material**; or
2. the dissemination or utterance of **Material**, by any means, including:

- a. publishing, producing, printing, advertising, marketing, promoting and exhibiting;
- b. broadcasting, telecasting, webcasting, cable casting; or,
- c. syndicating, selling, leasing, licensing, distributing, serializing or releasing **Material**; through any medium, including but not limited to wireless or electronic medium.

MERCHANDISING ACTIVITY

Merchandising Activity means the manufacture, production or distribution of goods (other than media) which contain intellectual property.

NAMED INSURED

Named Insured means the person or entity named in Item 1 of the Policy Declarations.

NETWORK

Network means a party's local or wide area network owned or operated by or on behalf of or for the benefit of that party; provided, however, **Network** shall not include the internet, telephone company networks, or other public infrastructure network (collectively "public infrastructure network") unless such public infrastructure network is operated and controlled exclusively by the **Insured Entity**.

NETWORK DAMAGE

Network Damage means:

1. the unscheduled and unplanned inability of an authorized user to gain access to the **Network**;
2. the unauthorized destruction or alteration of any third-party's information residing on the **Network**; or
3. the suspension or interruption of the **Network**.

NETWORK EXTORTION

Network Extortion means a third party demand to the **Insured Entity** for money or securities in exchange for:

1. the return of, or refraining from disclosing, the **Insured Entity's** confidential information or the confidential information of others in the **Insured Entity's** care, custody or control;
2. not publicizing that the **Insured Entity's Network** will be or has been impaired, compromised or destroyed; or
3. not impairing, altering or destroying the **Insured Entity's Network** or website;

provided that the **Insured Entity's Executives** reasonably believe that the third party's demand is credible and that there is imminent and probable danger that the extortionist can execute on its demand.

NETWORK EXTORTION EXPENSE

Network Extortion Expense means all reasonable and necessary expenses incurred by the **Insured Entity** in order to directly respond to a **Network Extortion**, including the payment of money or securities demanded by an extortionist, provided, however that the payment of money or securities demanded by an extortionist must be made in conjunction with, and at the direct direction of, any law enforcement agency conducting an investigation of the **Network Extortion**. **Network Extortion Expenses** shall not include the repeated payment of money or securities demanded by any single extortionist or group of extortionists acting in collusion, or in response to multiple extortion demands connected by common facts or circumstances.



NO LIABILITY

No Liability means a final judgment of no liability obtained in favor of an **Insured Person** after the exhaustion of all appeals.

NON-INDEMNIFIABLE LOSS

Non-Indemnifiable Loss means **Loss** which the **Insured Entity** fails or refuses to indemnify an **Insured Person**:

1. because of **Financial Insolvency**; or,
2. because it is not permitted to indemnify pursuant to law or contract or the charter, bylaws, operating agreement or similar documents of the **Insured Entity** or **Plan**.

NONPUBLIC CORPORATE INFORMATION

Nonpublic Corporate Information means proprietary trade secret information owned by a third-party that is in the care, custody or control of the **Insured Entity** by operation of law or pursuant to a contractual obligation that requires the **Insured Entity** to maintain the confidentiality of such proprietary trade secret information.

NONPUBLIC PERSONAL INFORMATION

Nonpublic Personal Information means two or more elements of information not available to the general public from which an individual may be identified, including without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, and account histories.

NOT-FOR-PROFIT OUTSIDE ENTITY

Not-For-Profit Outside Entity means any organization exempt from federal income taxation pursuant to 26 U.S.C. §501(c)(3), (4), (6), (7), and (10), as amended.

OCCURRENCE

Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

OUTSIDE ENTITY

Outside Entity means any **Not-For-Profit Outside Entity**.

OUTSIDE ENTITY EXECUTIVE

Outside Entity Executive means an **Executive** of the **Insured Entity** who is or was acting as a member of the board of directors, board of trustees, board of managers, or functional equivalent thereof, in any **Not-For-Profit Outside Entity**, provided and so long as such service is at the specific request, consent or direction of the **Insured Entity**.

PENSION PLAN



Pension Plan means any employee pension benefit plan, as defined in 29 U.S.C. §1002, subject to regulation under ERISA or any Similar Act. However, **Pension Plan** shall not include an excess benefit plan as defined in 29 U.S.C. §1002 or an employee stock ownership plan as defined in 26 U.S.C. §4975.

PERSONAL/PROPRIETARY INJURY

Personal/Proprietary Injury means injury arising out of one or more of the following:

1. false arrest, detention or imprisonment, or malicious prosecution;
2. wrongful entry or eviction, or other invasion of the right of private occupancy;
3. libel, slander, or other forms of defamation;
4. plagiarism, misappropriation of ideas (including advertising ideas), or breach of confidentiality;
5. invasion, infringement or interference with the rights of privacy or publicity; or
6. infringement of copyright, title, slogan, logo, trademark, trade name, trade dress, service mark, or service name. Infringement of copyright does not include infringement of software, computer code and computer firmware except with respect to the Technology & Telecommunications Liability Coverage Part,

PLAN

Plan means:

1. any **Welfare Plan** or **Pension Plan** which was, on or prior to the effective date of this Policy, sponsored solely by the **Insured Entity**, or sponsored jointly by the **Insured Entity** and a labor organization, solely for the benefit of the **Employees** of the **Insured Entity**;
2. any **Welfare Plan** or **Pension Plan** which, after the effective date of this Policy, becomes sponsored solely by the **Insured Entity**, or jointly by the **Insured Entity** and a labor organization, solely for the benefit of the **Employees** of the **Insured Entity**, if and to the extent coverage with respect to such **Plan** is afforded pursuant to paragraph A of Section XII. **COVERAGE FOR NEW SUBSIDIARIES AND PLANS** of the General Terms and Conditions of this Policy;
3. any other plan or program otherwise described in paragraphs 1. and 2. above while such plan or program is being actively developed, formed or proposed by the **Insured Entity** prior to the formal creation of such plan or program; or,
4. any government-mandated insurance for workers' compensation, unemployment, social security or disability benefits for **Employees** of the **Insured Entity**.

Plan does not include any multi-employer plan as defined in ERISA or any Similar Act.

POLICY PERIOD

Policy Period means the period of time from the effective date and time of this Policy to the date and time of termination as shown in the Policy Declarations, or its earlier cancellation date. If the length of the **Policy Period** is the same as the **Policy Year**, the terms **Policy Period** and **Policy Year** are used interchangeably herein.

POLICY PREMIUM

Policy Premium means the original premium and the fully annualized amount of any additional premiums, other than the Extended Reporting Period premium, charged by the Insurer before or during the **Policy Period**.

POLICY YEAR

Policy Year means the period of one year following the effective date of the **Policy Period** or any subsequent one-year anniversary thereof. As permitted by individual state law, a **Policy Year** may be extended or reduced by endorsement or by termination of the Policy.

POLLUTANTS

Pollutants means any substance exhibiting hazardous characteristics as is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state, local or foreign counterpart. **Pollutants** includes, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products or any noise.

PRIVACY EVENT

Privacy Event means an act, error or omission by the **Insured Entity**, by an **Insured Person** within the scope of such individual's duties on behalf of the **Insured Entity** or by someone who the **Insured** has engaged to provide services pursuant to a written contract and for whom the **Insured Entity** is legally responsible which, in the reasonable opinion of an **Executive**, caused, or is reasonably likely to cause, the unauthorized disclosure of **Nonpublic Personal Information** or **Nonpublic Corporate Information**.

PRIVACY EVENT EXPENSES

Privacy Event Expenses means all reasonable and necessary fees, costs and expenses incurred by the **Insured Entity** to directly respond to a **Privacy Event**.

PRIVACY INJURY

Privacy Injury means:

1. any unauthorized disclosure of, inability to access, inaccuracy in, or the **Insured's** failure to prevent unauthorized access to, **Nonpublic Personal Information**;
2. the **Insured's** failure to implement and maintain procedures designed to protect **Nonpublic Personal Information** from unauthorized use or disclosure, in violation of:
 - a. the **Named Insured's Privacy Policy**; or,
 - b. any federal, state, foreign or other law, statute or regulation governing the confidentiality, integrity, or accessibility of non-public personal information, including but not limited to the Health Insurance Portability and Accountability Act of 1996, Gramm-Leach-Bliley Act, Children's Online Privacy Protection Act, the EU Data Protection Act, or the Fair and Accurate Credit Transactions Act; or
3. any unauthorized disclosure of, inability to access, inaccuracy in or an **Insured's** failure to prevent unauthorized access to **Nonpublic Corporate Information**.

PRIVACY POLICY

Privacy Policy means the **Insured Entity's** policies in written or electronic form that:

1. govern the collection, dissemination, confidentiality, integrity, accuracy or availability of **Nonpublic Personal Information**; and,



2. the **Insured Entity** provides to those customers, **Employees** or others who provide it with **Nonpublic Personal Information**.

PRIVACY REGULATION FINES

Privacy Regulation Fines means civil fines, sanctions or penalties imposed under any **Privacy Regulation Proceeding** for a violation of any **Security Breach Notice Law** or any law, statute or regulation referenced under the definition of **Privacy Injury**.

PRIVACY REGULATION PROCEEDING

Privacy Regulation Proceeding means a civil, administrative or regulatory proceeding against an **Insured** by a federal, state or foreign governmental authority alleging a violation of any **Security Breach Notice Law** or any law, statute or regulation referenced under the definition of **Privacy Injury**.

PROFESSIONAL SERVICES

Professional Services means, solely with respect to any **Professional Liability Coverage Part**, those services performed by the **Insured Entity** or by an **Insured Person** within the scope of such individual's duties on behalf of the **Insured Entity** for others and that are specified in the attached "Professional Services Endorsement."

PROPERTY DAMAGE

Property Damage means:

1. physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or,
2. loss of use of tangible property that is not physically damaged except that with respect to the **Technology & Telecommunications Liability Coverage Part** such loss of use must be caused by an **Occurrence**.

When used in the **Technology & Telecommunications Liability Coverage Part** or the **Network Security & Privacy Injury Coverage Part**, **Property Damage** does not include electronic data. As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

RELATED CLAIMS

Related Claims means all **Claims** arising out of a single **Wrongful Act** or arising out of **Interrelated Wrongful Acts**.

RETROACTIVE DATE

Retroactive Date means the date set forth in the **Professional Liability Coverage Part** Declarations.

ROGUE EMPLOYEE

Rogue Employee means an **Employee** of the **Insured Entity** who acts outside of his or her scope of employment authority to deliberately cause an event that gives rise to a **Claim**.

SECURITY BREACH

Security Breach means the failure of the **Insured Entity's Network** hardware, software, or firmware, the function or purpose of which is to:

1. identify and authenticate parties prior to accessing the **Insured Entity's Network**;
2. control access to the **Insured Entity's Network** or monitor and audit such access;
3. protect against malicious code;
4. defend against **Denial of Service Attacks** or co-option of the **Insured Entity's Network** to perpetrate a **Denial of Service Attack** against others; or,
5. ensure confidentiality, integrity and authenticity of information on the **Insured Entity's Network**.

SECURITY BREACH NOTICE LAW

Security Breach Notice Law means any statute or regulation that requires an entity storing **Nonpublic Personal Information** on its **Network** to provide notice to specified individuals of any actual or potential **Security Breach** with respect to such **Nonpublic Personal Information**.

SHAREHOLDER DEMAND

Shareholder Demand means any written demand by one or more shareholders of the **Insured Entity** upon the board of directors of any **Insured Entity** to bring a civil proceeding in a court of law against any **Insured Person** for a **Wrongful Act** provided such demand is brought without the assistance, participation or solicitation of any **Executive**.

SINGLE LOSS

Single Loss means all **Loss** arising from each **Claim**.

STOCK BENEFITS

Stock Benefits means:

1. any offering, plan or agreement between the **Named Insured** and any **Employee** which grants stock, stock warrants or stock options of the **Named Insured** to any such **Employee**, including but not limited to grants of stock options, restricted stock, stock warrants, performance stock shares, or any other compensation or incentive granted in the form of securities of the **Named Insured**; or
2. any payment or instrument in the amount or value of which is derived from the value of securities of the **Named Insured**, including but not limited to stock appreciation rights or phantom stock plans or arrangements.

However, **Stock Benefits** shall not include employee stock ownership plans or employee stock purchase plans.

SUBSIDIARY

Subsidiary means:

1. any entity (other than a partnership) in which the **Named Insured** has **Management Control** directly or indirectly through one or more other **Subsidiaries**:

- a. on or before the effective date of this Policy; or



- b. after the effective date of this Policy by reason of being created or acquired by the **Named Insured** and any **Subsidiary** after such date, if and to the extent coverage with respect to the entity is afforded pursuant to the General Terms and Conditions, Section XII., **COVERAGE FOR NEW SUBSIDIARIES AND PLANS**; or
2. any not-for-profit entity under section 26 U.S.C. §501(c)(3), (4), (6), (7), and (10), as amended, sponsored exclusively by any **Insured Entity** or any Political Action Committee formed by any **Insured Entity**.

When used in connection with the **Crime Coverage Part**, **Subsidiary** has the meaning set forth therein.

TAKEOVER

Takeover means:

1. the acquisition by another entity or person, or group of entities or persons acting in concert, of:
 - a. the **Management Control** of the **Named Insured**; or,
 - b. assets of the **Named Insured** resulting in the ownership of more than 50% of the total consolidated assets of **Named Insured** as of the date of the **Named Insured's** most recent audited consolidated financial statement prior to such acquisition;
2. the merger of the **Named Insured** into another entity such that the **Named Insured** is not the surviving entity; or,
3. the consolidation of the **Named Insured** with another entity.

TECHNOLOGY PRODUCTS

Technology Products means:

1. computer hardware products, components and peripherals;
 2. computer software, computer firmware and all related machine, object or source code; or,
 3. electronic, telecommunications and wireless equipment,
- created, designed, manufactured, sold, or distributed by or on behalf of the **Insured Entity** or licensed or leased, by the **Insured Entity** to others.

TECHNOLOGY SERVICES

Technology Services means:

1. analysis, design, integration and conversion of computer systems, computer networks and electronic systems;
2. designing, developing, programming, installing, servicing, supporting, maintaining and repairing computer software, computer code and computer firmware;
3. designing, installing, integrating, servicing, supporting, maintaining and repairing computer hardware;
4. education and training in the use of computer hardware and/or computer software;
5. information services;
6. disk wiping, remediating computer equipment for redeployment and designating computer equipment for disposal;
7. data processing, management or warehousing;
8. hosting, managing or administering the computer systems or facilities of another;
9. **Internet Services**; or,



10. project management and consulting, including the identifying, screening, qualifying and placing of potential candidates for temporary and permanent employment with a client, related to 1. through 9. above or on **Technology Products**.

TELECOMMUNICATION SERVICES

Telecommunication Services means:

1. local, regional and long distance wireline and wireless dial tone access and switched services, including value added services such as directory assistance, toll free services, voice mail, call forwarding, call waiting and caller ID;
2. ground based satellite communications services;
3. DSL and ISDN services;
4. video conferencing services;
5. paging services;
6. basic wire maintenance;
7. 911 emergency services;
8. directory services and operator assistance;
9. analysis, design, integration and conversion of telecommunication systems;
10. voice-over Internet protocol ("VoIP") services, including related VoIP implementation services; or,
11. project management and consulting, including identifying, screening, qualifying, placing of potential candidates for temporary and permanent employment with a client, related to 1. through 10. above.

THIRD PARTY CUSTODIAN

Third Party Custodian means a third party to whom the **Insured Entity** entrusts **Nonpublic Personal Information** or **Nonpublic Corporate Information**, where such third party:

1. is contractually obligated to protect such information using safeguards at least as effective as the **Insured Entity's** own;
2. without limitation, indemnifies the **Insured**, will defend the **Insured** and hold the **Insured** harmless for any unauthorized disclosure, access to or use of such information while in such third party's care, custody or control;
3. is audited and inspected by the **Insured Entity** to ensure that the protective safeguards employed by that third party are at least as effective as the **Insured Entity's** own; and,
4. is not authorized by the **Insured** to entrust such information to any other third party.

UNAUTHORIZED ACCESS

Unauthorized Access means any accessing of the **Network** or information residing on the **Network** by unauthorized persons or by authorized persons accessing such information in an unauthorized manner.

VOLUNTARY COMPLIANCE PROGRAM

Voluntary Compliance Program means any voluntary compliance resolution program or similar voluntary settlement program administered by the United States Internal Revenue Service, the United States Department of Labor or other similar governmental authority located outside the United States, including without limitation:

1. the Employee Plans Compliance Resolution System consisting of the Self-Correction Program, the Voluntary Compliance Resolution Program and the Audit Closing Agreement Program all as set forth in IRS Revenue Procedure 2003-44 (as amended, modified, expanded or superseded by any successor Revenue Procedure); or
2. Delinquent Filer Voluntary Compliance Program, and the Voluntary Fiduciary Correction Program administered by the Department of Labor.

WELFARE PLAN

Welfare Plan means any employee welfare benefit plan as defined in 29 U.S.C. §1002, subject to regulation under ERISA or any Similar Act. **Welfare Plan** shall not include an excess benefit plan as defined in 29 U.S.C. §1002.

WHISTLEBLOWER ACTIVITY

Whistleblower Activity means the kind of activity protected under a federal or state whistleblower statute or any regulation promulgated thereunder, regardless of whether or not such activity is done by an **Employee** protected under such statute or regulation.

WRONGFUL ACT

Wrongful Act has the meanings set forth below.

- I. When used in the Directors & Officers Liability **Coverage Part**, **Wrongful Act** means:
 1. any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty (including violations of the privacy provisions of the Health Insurance Portability and Accountability Act (HIPAA)) committed or attempted by:
 - a. the **Insured Persons** in their capacity as such; or
 - b. the **Insured Entity** or by any natural person for whose **Wrongful Act** the **Insured** is legally responsible; or,
 2. any matter claimed against the **Insured Persons** solely by reason of their serving in such capacity.
- II. When used in the Employment Practices Liability **Coverage Part**, **Wrongful Act** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed or attempted by the **Insured Persons** in their capacity as such or by an **Insured Entity**.
- III. When used in the Fiduciary Liability **Coverage Part**, **Wrongful Act** means:
 1. any actual or alleged error, omission, negligent act, misstatement, misleading statement, neglect or breach of duty imposed upon an **Insured** by ERISA or any **Similar Act**, solely in such **Insured's** capacity as a **Fiduciary of a Plan**, or any matter claimed against an **Insured** solely by reason of his, her or its status as a **Fiduciary of a Plan**;
 2. any actual or alleged error, omission, negligent act, misstatement, misleading statement, neglect or breach of duty committed or attempted by the **Insureds**, including any violation of regulation 45 CFR, Subchapter C, Part 164, under the Health Insurance Portability and Accountability Act of 1996, solely in such **Insured's** capacity as an **Administrator**; or,
 3. the failure to properly or timely provide COBRA notices, but only with respect to a **Plan**.

- IV. When used in any Professional Liability Coverage Part, **Wrongful Act** means any actual or alleged act, error, omission, neglect, breach of duty or **Personal/Proprietary Injury** committed solely in the conduct of **Professional Services**.
- V. When used in the Media Liability Coverage Part, **Wrongful Act** means any actual or alleged act, error or omission, giving rise to an **Injury**, in the course of performing **Media Activity**.
- VI. When used in the Technology & Telecommunications Liability Coverage Part, **Wrongful Act** means any actual or alleged act, error, omission, neglect or breach of duty, or **Personal/Proprietary Injury**:
1. committed solely in the conduct of **Technology Services** or **Telecommunication Services** for others; or
 2. resulting in the failure of the **Insured Entity's Technology Products** to perform the function or serve the purpose intended.
- VII. When used in the Network Security and Privacy Injury Liability Coverage Part:
1. solely with respect to Section I. **COVERAGE AGREEMENTS**, Part A. **Insuring Agreements**, Paragraph 1. **Network Security**, **Wrongful Act** means any actual or alleged act, error, omission, neglect or breach of duty that results in any **Security Breach** of the **Insured Entity's Network**;
 2. solely with respect to Section I. **COVERAGE AGREEMENTS**, Part A. **Insuring Agreements**, Paragraph 2. **Basic Privacy Injury Liability**, **Wrongful Act** means any actual or alleged act, error, omission, neglect or breach of duty that results in any **Security Breach** of the **Insured Entity's Network**;
 3. solely with respect to Section I. **COVERAGE AGREEMENTS**, Part A. **Insuring Agreements**, Paragraph 3. **Laptop Computer Breach Privacy Liability**, **Wrongful Act** means any actual or alleged act, error, omission, neglect or breach of duty that results in any **Laptop Computer Breach**;
 4. solely with respect to Section I. **COVERAGE AGREEMENTS**, Part A. **Insuring Agreements**, Paragraph 4. **Broad Form Privacy Injury Liability**, **Wrongful Act** means, with respect to any information in durable and persistent form and in the **Insured's** care, custody or control, any actual or alleged act, error, omission, neglect or breach of duty; and,
 5. solely with respect to Section I. **COVERAGE AGREEMENTS** Part A. **Insuring Agreements**, Paragraph 5. **Privacy Regulatory Proceeding**, **Wrongful Act** has the meaning set forth in Paragraph 1. 2. or 4. above to the extent such referenced Insuring Agreements have been purchased.

WRONGFUL EMPLOYMENT PRACTICE

Wrongful Employment Practice means any **Wrongful Act** constituting or relating to:

1. wrongful dismissal, discharge or termination of employment, whether actual or constructive;
2. employment-related misrepresentation;
3. violation of any federal, state or local laws (whether common-law or statutory) concerning employment or discrimination in employment, including the Americans with Disabilities Act of 1992, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866 and the Family and Medical Leave Act of 1993;
4. sexual harassment or other unlawful harassment;
5. wrongful deprivation of career opportunity, demotion, failure to grant tenure, failure to employ or promote; failure to afford partnership or other equity status and failure to train;
6. wrongful discipline of **Employees**;
7. retaliation against **Employees** for the exercise of any legally protected right or for engaging in any legally protected activity;
8. negligent evaluation of **Employees**, negligent hiring, negligent supervision, and negligent training;
9. failure to adopt adequate workplace or employment policies and procedures;



10. employment-related libel, slander or defamation, humiliation or invasion of privacy;
 11. employment-related wrongful infliction of emotional distress; or
 12. solely with respect to any natural person other than an **Employee**, any actual or alleged discrimination, sexual harassment or violation of an individual's civil rights relating to such discrimination or sexual harassment.
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MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE PART

I. INSURING AGREEMENT

The Insurer will pay on behalf of the **Insured** that **Loss**, in excess of the retention and up to the applicable limit of liability, resulting from any **Claim** first made against the **Insured** during the **Policy Period**, or any Extended Reporting Period, if applicable, for a **Wrongful Act** by the **Insured Entity**, by an **Insured Person** within the scope of such individual's duties on behalf of the **Insured Entity** or by someone for whose **Wrongful Act** the **Insured** is legally responsible, provided that:

- A.** prior to the inception date of this Policy, or the first professional liability policy issued and continuously renewed by any insurer, of which this Policy is a replacement or renewal, whichever is earlier:
 - 1. no **Insured** gave notice to any prior insurer of such **Claim** or any **Related Claim**;
 - 2. no **Insured** gave notice to a prior insurer of any such **Wrongful Act** or any **Interrelated Wrongful Act**; and
 - 3. no **Insured** had a basis to believe that any such **Wrongful Act**, or any **Interrelated Wrongful Act**, might reasonably be expected to be the basis of such **Claim**;
- B.** the **Wrongful Act** occurred on or after the **Retroactive Date** for the Miscellaneous Professional Liability Coverage Part as set forth in the Professional Liability Coverage Part Declarations and prior to the end of the **Policy Period**; and
- C.** such **Claim** is reported in accordance with Section **XXII. NOTICE/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE** of the General Terms and Conditions.

II. EXCLUSIONS

The Insurer shall not be liable to pay any **Loss** under this **Coverage Part** in connection with any **Claim** made against any **Insured**:

A. Bodily Injury/Property Damage

for any actual or alleged bodily injury (including death), sickness, disease, emotional distress, mental anguish, of any person, or **Property Damage**;

B. Claims by Insureds

by or on behalf of any **Insured** in any capacity, provided, however that this exclusion shall not apply to:

- 1. any **Claim** that is in the form of a crossclaim, third-party claim or otherwise for contribution or indemnity which is part of and results directly from a **Claim** which is not otherwise excluded under this Policy; or
- 2. any **Claim** brought or maintained by or on behalf of a bankruptcy or insolvency trustee, examiner, liquidator, receiver or rehabilitator for an **Insured Entity** or any assignee of such trustee, examiner, liquidator, receiver or rehabilitator.

C. Deliberate Acts/Commingling or Misappropriation of Funds

based upon or arising out of any actual or alleged dishonest, fraudulent, criminal or malicious act or omission, commingling, misappropriation or misuse of funds, or intentional wrongdoing, including the intentional misappropriation of trade secrets, by an **Insured** if a final judgment, ruling or other finding of fact in any proceeding establishes that such act, omission, commingling, misappropriation, misuse or intentional wrongdoing was committed. The Insurer will not defend any criminal act which was the subject of a criminal prosecution in



MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE PART

which the **Insured** was found guilty or pleaded guilty, *nolo contendere* or no contest. Criminal proceedings are not covered under this Policy regardless of the allegations made against any **Insured**.

For purposes of determining the applicability of this exclusion:

1. the facts pertaining to and knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**; and,
2. only facts pertaining to and knowledge possessed by any **Executive** shall be imputed to the **Insured Entities**;

D. ERISA or any Similar Act

for any actual or alleged violation of the responsibilities, obligations or duties imposed upon fiduciaries by **ERISA or any Similar Act**;

E. Injunctive Relief

for the cost of any non-monetary relief, including without limitation any costs associated with compliance with any injunctive relief of any kind or nature imposed by any judgment or settlement. However, the Insurer shall provide a defense for any **Claim** seeking injunctive relief. Such defense will not waive any of the Insurer's rights under this Policy;

F. Owned Entity

by any entity that is not an **Insured** under this Policy, if, at the time of the **Wrongful Act** giving rise to such **Claim**:

1. any **Insured** controlled, owned, operated or managed such entity; or
2. any **Insured** was an **Executive or Employee** of such entity;

For the purpose of this exclusion, a 10% or more owner of the voting stock of a publicly held corporation or a 50% or more owner of the voting stock of a privately held corporation shall be deemed to own such entity;

G. Patent Infringement

based upon or arising out of actual or alleged infringement of patent;

H. Pollutants

based upon or arising out of:

1. any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants**;
2. any request, direction or order that any of the **Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or
3. any actual or alleged **Property Damage**, or bodily injury, sickness, disease or death of any person, or financial loss arising out of paragraphs 1 or 2 above.;

I. Securities Claims

based upon or arising out of:

1. the filing of any registration statement under the Securities Acts of 1933, or the Securities Exchange Act of 1934, any State Blue Sky Law, or any other state or local securities law; or



MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE PART

2. the Securities Act of 1933, the Securities and Exchange Act of 1934, rules or regulations of the Securities Exchange Commission under either or both acts; similar securities laws or regulations of state, or any laws of any state relating to any transaction arising out of, involving, or relating to the public offering of securities;

J. Unfair Competition/Antitrust Claims/RICO Claims

based upon or arising out of any actual or alleged:

1. unfair competition, dilution, deceptive trade practices, civil actions for consumer fraud;
2. charges of price fixing, monopolization or restraint of trade;
3. any violation of:
 - a. the Federal Trade Commission Act;
 - b. the Sherman Act, the Clayton Act, or any federal statutory provision regarding anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade;
 - c. the Racketeer Influenced and Corrupt Organizations Act;
 - d. any rules or regulations promulgated under or in connection with the above statutes; or
 - e. any state, federal or local statutory law or common law similar to the above statutes; or
4. false or deceptive advertising or misrepresentation in advertising,

not directly related to a **Claim** alleging a **Personal/Proprietary Rights Injury** as defined in paragraphs 5 and 6 of the definition of **Personal/Proprietary Rights Injury**;

K. Wrongful Employment Practice/Discrimination/Humiliation/Harassment

for any actual or alleged **Wrongful Employment Practice** or any other discrimination, humiliation or harassment.

III. RISK MITIGATION CREDIT

- A. The Insurer will reduce the **Insured Entity's** retention for a **Claim** by 50% or up to \$10,000, whichever is less, if the **Insured Entity** involved in such **Claim** demonstrates, to the Insurer's reasonable satisfaction, the existence of the following three (3) conditions:
 1. a copy of the **Insured Entity's** executed contract or services agreement with the client bringing the **Claim** that outlines professional services to be performed.
 2. proof that the **Insured Entity** documented client approvals during the project and upon final acceptance of the completed project.
 3. proof that if there were any interim changes made to the existing contract with the client bringing the **Claim** that such changes were documented in writing and approved by both the **Insured Entity** and the client.
- B. In the event that one **Claim** is eligible for both this Risk Mitigation Credit Section and the Mediation provision found in the General Terms & Conditions, Section XXI. **DEFENSE/SETTLEMENT/MEDIATION /PRE-CLAIM ASSISTANCE**, Paragraph B.2. Mediation, then the **Insured Entity** shall receive only the benefit of one retention credit, but not both. In no way shall either section be construed to afford any more than a total of 50% or \$10,000 credit toward any one retention for any one **Claim**.

IV. VICARIOUS LIABILITY



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MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE PART

Any entity the **Insured Entity** is required by contract to include as an insured for liability of such entity for an **Insured's Wrongful Acts** shall be insured under this Policy but solely to the extent that a **Claim** is made against such entity for a **Wrongful Act** of an **Insured**, and only so long as the written contract is entered into before such **Wrongful Act** occurs. Any coverage afforded by this Section is subject always to all of the Policy's terms and conditions, provided however:

- A. there shall be no coverage afforded to such entity for its **Wrongful Acts**; and
- B. nothing herein shall serve to confer any rights or duties to such entity under this Policy, other than as provided in this Section.



**PROFESSIONAL SERVICES ENDORSEMENT
CONSULTING SERVICES**

In consideration for the premium paid for this Policy, it is agreed that policy is amended as follows:

I. The Glossary of Defined Terms is amended as follows:

1. The definition of **Professional Services** is amended to include **Consulting Services**.
2. The following new definition is added:
 - **Consulting Services** are services provided to identify, recommend, and implement solutions for personal and business management or operational matters or issues.

II. The Miscellaneous Professional Liability **Coverage Part** is amended as follows:

Solely with respect to **Consulting Services**, Section II., **EXCLUSIONS** is amended by the addition of the following new exclusions:

- based upon or arising out of any actual or alleged exercise of any authority or discretionary control with respect to any client funds or accounts.
- based upon or arising out of any actual or alleged rendering of or failing to render a financial opinion;
- based upon or arising out of any actual or alleged investment advice, or the selection of any investment manager or investment advisory/ custodial firm;
- based upon or arising out of any actual or alleged fluctuation in the market value of any security;
- based upon or arising out of any actual or alleged advice as to the present or future value of any funds, assets or investments;
- based upon or arising out of any actual or alleged failure to pay, collect or safeguard funds;
- based upon or arising out of any actual or alleged formation, promotion, syndication, offer, sale or management of any entity or any interest therein;
- based upon, directly or indirectly arising out of, or in any way involving services as a director, officer, interim manager or turnaround manager of any third party entity.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



AMENDATORY ENDORSEMENT- OHIO

In consideration of the premium paid, it is agreed that:

I. **Paragraph 2.** of the definition of **Loss** in the Glossary of Defined Terms shall be revised to add the following:

Notwithstanding anything to the contrary, punitive and exemplary damages and the multiplied portion of multiplied awards are not insurable in the state of Ohio.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



CANCELLATION/NON-RENEWAL ENDORSEMENT - OHIO

Wherever used in this endorsement: 1) Insurer means "we", "us", "our" or the "Company" as those terms are defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) "Insured(s)" means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provision(s) in the policy are deleted in their entirety and replaced with the following:

CANCELLATION AND NON-RENEWAL

A. CANCELLATION

1. The Named Insured may cancel the policy at any time. To do so, the Named Insured must return the policy to the Insurer or any of its authorized representatives, indicating the effective date of cancellation; or provide a written notice to the Insurer, stating when the cancellation is to be effective.
2. The Insurer has the right to cancel this policy at any time and for any reason within the first ninety (90) days. Notice of cancellation must be mailed at least thirty (30) days prior to the effective date of such cancellation.
3. After this policy has been in effect for ninety (90) days or more, it may be canceled for one of the following reasons:
 - a. Nonpayment of premium.
 - b. Discovery of fraud or material misrepresentation in the procurement of the insurance or with respect to any claims submitted thereunder;
 - c. Discovery of a moral hazard or willful or reckless acts or omissions on the part of the named insured that increase any hazard insured against;
 - d. Occurrence of a change in the individual risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed, except to the extent the insurer reasonably should have foreseen the change or contemplated the risk in writing the contract;
 - e. Loss of applicable reinsurance or a substantial decrease in applicable reinsurance, if the superintendent has determined that reasonable efforts have been made to prevent the loss of, or substantial decrease in, the applicable reinsurance, or to obtain replacement coverage;
 - f. A determination by the superintendent of insurance that the continuation of the policy would create a condition that would be hazardous to the policyholders or the public.
 - g. Failure of the insured to correct material violations of safety codes or to comply with reasonable written loss control recommendations.
4. The notice of cancellation required by this must be in writing, be mailed to the insured at the insured's last known address, and contain all of the following:
 1. The policy number;
 2. The date of the notice;
 3. The effective date of the cancellation;
 4. An explanation of the reason for cancellation.
 5. Such notice of cancellation also shall be mailed to the insured's agent.

Notice of cancellation must be mailed at least thirty (30) days prior to the effective date of such cancellation. If cancellation is for non-payment of premium, the Insurer must mail notice of cancellation at least ten (10) days prior to the effective date of such cancellation. All notices shall state the reason for cancellation. Proof of mailing will be sufficient proof of notice.



B. NON -RENEWAL

The Insurer has the right to non-renew this policy effective at the policy expiration date. All notices of non-renewal must be mailed to the Named Insured at the last mailing address known, at least thirty (30) days prior to the expiration date of the policy and shall provide a specific explanation of the reason(s) for non-renewal. Proof of mailing will be sufficient proof of notice.

Such notice shall contain all of the following:

1. The policy number;
2. The date of the notice;
3. The expiration date of the policy;
4. An explanation of the reason for non-renewal;
5. Such notice of nonrenewal also shall be mailed to the insured's agent.

If the notice of non-renewal is mailed less than thirty days before the expiration date of the policy, the insured's coverage then in effect remains in effect until thirty days after the date of mailing the notice, unless the insured notifies the insurer in writing that the insured accepts the non-renewal as stated. The insurer shall notify the insured of the amount of the premium for the time after the expiration date that the coverage may remain in effect, and the insured shall pay such premium unless the insured accepts the stated non-renewal. The premium must be calculated using the rates originally applicable to the insured's coverage then in effect.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

