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Starstone National Insurance Company

LAWYERS PROFESSIONAL LIABILITY INSURANCE POLICY

THIS IS A CLAIMS MADE AND REPORTED POLICY. PLEASE REVIEW THE POLICY CAREFULLY.

Claims Made and Reported Coverage: The coverage afforded by this policy is limited to liability for only those **Claims** which are first made against the **Insured** during the **Policy Period** or any applicable Extended Reporting Period, and which are reported to the Company in accordance with SECTION V – When to Report a Claim.

StarStone National Insurance Company, hereinafter called the Company, agrees with the **Named Insured** as shown in the Declarations which are made a part of this policy; in consideration of the payment of the premium, and in reliance upon the statements on the application and the Declarations Page and subject to the Limits of Liability, exclusions, conditions and other terms of this policy, as follows:

INSURING AGREEMENTS

SECTION I – COVERAGE

- A. The Company will pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as **Damages** for **Claims** which are first made against the **Insured** during the **Policy Period** or any applicable Extended Reporting Period, and which are reported to the Company in accordance with SECTION V – When to Report a Claim, arising out of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** by an **Insured** or any entity or individual for whom the **Named Insured** is legally liable; provided always that such act, error, omission or **Personal Injury** happens:
1. during the **Policy Period**; or
 2. prior to the **Policy Period** provided that:
 - a. such act, error, omission or **Personal Injury** happened on or after the **Retroactive Date** as indicated on the Declarations Page of this policy; and
 - b. at the inception date of the first Lawyers Professional Liability Insurance Policy issued by this Company to the **Named Insured** or its **Predecessor in Business** and continuously renewed and maintained in effect to the inception of this **Policy Period**, no **Insured** had a reasonable basis to believe that any **Insured** had breached a professional duty or a reasonable basis to believe an act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** might be expected to result in a **Claim** or **Suit**.

The Company shall have the right and duty to defend any **Suit** against the **Insured** seeking **Damages** to which this insurance applies even if any of the allegations of the **Suit** are groundless, false or fraudulent. However, the Company shall have no duty to defend the **Insured** against any **Suit** seeking **Damages** to which this insurance does not apply. For covered **Claims** which are not **Suits**, the Company, at its option, shall select and assign defense counsel; however, the **Insured** may engage additional counsel, solely at their own expense, to associate in the defense of any such **Claim**. The **Insured** shall not assume any liability, any obligations, incur any costs, charges, or expenses or enter into any settlement without the Company's consent.

Modified Consent to Settle.

The Company shall also have the right to investigate any **Claim** and negotiate the settlement as it deems expedient, but the Company shall not commit the **Named Insured** to any settlement without the **Named Insured's** consent. If the **Named Insured** refuses to consent to any settlement recommended

by the Company, and elects to contest the **Claim** or continue any legal proceedings in connection with such **Claim**, then the liability of the Company for **Damages** and **Claims Expenses** for such **Claim** shall not exceed the amount for which the **Claim** could have been settled, as well as the **Claims Expenses** incurred by the Company or with the Company's consent up to the date of such refusal, plus 50% of covered **Damages** and **Claims Expenses** incurred after the date of the **Insured's** refusal to settle. Such amounts are subject to the provisions of SECTION III – LIMITS OF LIABILITY AND DEDUCTIBLE.

In the event that the **Claims Expenses** Option indicated in:

1. Item 4.A. of the Declarations Page is purchased, **Claims Expenses** shall be part of, and not in addition to, the Limits of Liability specified in Item 3. of the Declarations Page; or
2. Item 4.B. of the Declarations Page is purchased, **Claims Expenses** shall have separate Limits of Liability which shall be limited to an amount equal to the "each **Claim**" and "aggregate" Limits of Liability in Item 3. of the Declarations Page.

In no event shall the Company be obligated to pay **Damages** or **Claims Expenses** or to defend, or continue to defend, any **Suit** or **Claim** after the applicable limits of the Company's liability have been exhausted by payments of **Damages** or **Claims Expenses**.

B. **Supplementary Payments**

The Company will pay, in addition to the applicable Limits of Liability and without application of any Deductible:

1. Up to \$500 for loss of earnings to each individual **Insured** for each day or part of a day of such **Insured's** attendance at the Company's request at a trial, hearing or arbitration proceeding involving a **Suit** against such **Insured** for covered **Damages** up to a maximum of \$15,000 for each **Suit**. The total amount so payable shall in no event exceed \$50,000 for all **Suits** and all **Insureds** covered hereunder; and
2. Up to \$25,000 for attorney fees, and other costs, expenses or fees resulting from the investigation or defense of each proceeding before a state licensing board, local disciplinary board, self-regulatory agency, ethics commission or governmental regulatory body incurred as the result of a notice of a proceeding, first received by the **Insured** and reported to the Company during the **Policy Period**, that arises out of any act, error, omission or **Personal Injury** happening on or after the **Retroactive Date** in the rendering of or failure to render **Professional Services** by an **Insured** covered under this policy. The total amount so payable shall in no event exceed \$100,000 for all such proceedings covered hereunder; and
3. Up to \$5,000 in the aggregate for awards granted during the **Policy Period** under Rule 11 of the Federal Rules of Civil Procedure.
4. In the event an **Insured** receives a subpoena for documents or testimony arising out of **Professional Services** rendered by the **Insured** on or after the **Retroactive Date**, if applicable, and before the end of the **Policy Period**, and the **Insured** would like the **Company's** assistance in responding to the subpoena, the **Insured** may provide the **Company** with a copy of the subpoena and the **Company** will retain an attorney to provide advice regarding the production of documents, to prepare the **Insured** for sworn testimony, and to represent the **Insured** at the **Insured's** depositions, provided that:
 - a. the subpoena arises out of a lawsuit to which the **Insured** is not a party;
 - b. the **Insured** has neither been engaged to provide advice or testimony in connection with the lawsuit, nor has the **Insured** provided such advice or testimony in the past; and
 - c. the subpoena is first received by the **Insured** during the **Policy Period**, or any Extended Reporting Period, if applicable,

The **Company's** obligation under this provision is subject to a limit of \$25,000 for all reasonable legal expenses incurred by counsel selected by the **Company** in response to all subpoenas for documents or testimony received by the Insured during the **Policy Period** or any Extended Reporting Period, if applicable, regardless of the number of such subpoenas or **Insureds**. Any notice the **Insured** gives the **Company** of such subpoena shall be deemed notification of a **Potential Claim** under Section VII of this Policy.

5. Until the date a **Claim** is made, the **Company** may pay for all costs and expenses it incurs, at its sole discretion, as a result of investigating a potential **Claim** that the insured reports in accordance with Section **V.B.** of this Policy.

SECTION II – INSUREDS

Each of the following is an **Insured** under this policy to the extent set forth below:

- A. The entity or person named in Item 1. of the Declarations Page as the **Named Insured**;
- B. Any **Predecessor in Business** or **Successor in Business**;
- C. Any past or present partners, officers, directors, stockholders, members, managing members or employees of any person or entity specified in Item A. or B. above, but only while acting within the scope of their duties on behalf of such person or entity;
- D. Any non-affiliated person, but solely for **Professional Services** performed within the course and scope of their written contract with, and on behalf of, the **Named Insured, Predecessor in Business** or **Successor in Business**;
- E. The estate, heirs, executors, administrators and legal representatives of any **Insured** in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would otherwise be provided coverage under this policy;
- F. Retained Of Counsel, but solely for **Professional Services** performed within the scope of their employment by the **Named Insured** or any **Predecessor in Business**.

In all events, coverage as afforded with respect to a **Claim** made against an **Insured** as specified in Items A. through F. above, will only apply to an act, error, or omission or **Personal Injury** committed or allegedly committed by such **Insured** after such **Insured** joined the entity specified in Item A. or B. above and prior to the time such **Insured** ceased to be an **Insured** as specified in Items A. through F. above.

With respect to Items B. through D. above, this policy shall not apply if the **Successor in Business** is also an **Insured** under any similar insurance policy issued by the Company, regardless of such policy's exhaustion of its limits of liability. With respect to any **Successor in Business**, this coverage shall terminate at the earlier of policy termination or ninety (90) days from the date of dissolution of the **Named Insured** unless written notice is given to the Company, together with such information as the Company may request, and the **Successor in Business** shall pay any additional premium required in the event the Company agrees to continue the policy.

SECTION III – LIMITS OF LIABILITY AND DEDUCTIBLE

Regardless of the number of **Insureds** covered under this policy or the number of claimants or the number of **Claims** made, the Company's liability is limited as follows:

- A. In the event **Claims Expenses** are included within the Limits of Liability as specified in Item 4.A. of the Declarations Page, the Limit of Liability stated on the Declarations Page as applicable to "each **Claim**" is the limit of the Company's liability for all **Damages** and **Claims Expenses** for each **Claim** which is

first made against the **Insured** during the **Policy Period** or any applicable Extended Reporting Period, and which is reported to the Company in accordance with SECTION V – When to Report a Claim.

All **Claims** arising from the same or related acts, errors or omissions or **Personal Injuries** shall be considered a single **Claim** for the purpose of this insurance and shall be subject to the same Limit of Liability, with all such **Claims** to be considered as first made at the earliest of the date the first **Claim** was made or the date the act, error, omission or **Personal Injury** was first reported to the Company.

The Limit of Liability stated on the Declarations Page as "aggregate" is, subject to the above provision respecting "each **Claim**", the total limit of the Company's liability under this policy for all **Damages** and **Claims Expenses**.

- B. In the event **Claims Expenses** have separate Limits of Liability as specified in Item 4.B. of the Declarations Page, the Limit of Liability stated on the Declarations Page as applicable to "each **Claim**" is the limit of the Company's liability for **Damages** resulting from each **Claim** which is first made against the **Insured** during the **Policy Period** or any applicable Extended Reporting Period, and which is reported to the Company in accordance with SECTION V – When to Report a Claim. There shall be a separate "each **Claim**" Limit of Liability applicable to **Claims Expenses** for each such **Claim** equal to the Company's limit of liability for **Damages**.

All **Claims** arising from the same or related acts, errors or omissions or **Personal Injuries** shall be considered a single **Claim** for the purpose of this insurance and shall be subject to the same Limit of Liability, with all such **Claims** to be considered as first made at the earliest of the date the first **Claim** was made or the date the act, error, omission or **Personal Injury** was first reported to the Company.

The Limit of Liability stated on the Declarations Page as "aggregate" is, subject to the above provision respecting "each **Claim**", the total limit of the Company's liability under this policy for all **Damages**. There shall be a separate "aggregate" Limit of Liability applicable to all **Claims Expenses** for all **Claims** covered by this policy, equal to the Company's limit of liability for **Damages**.

- C. In the event the Deductible applies to **Damages** only as specified in Item 5.A. of the Declarations Page, the Company's liability for **Damages** resulting from "each **Claim**" is in excess of the Deductible amount stated on the Declarations Page. The **Insured** shall pay for **Damages** in the amount of the Deductible for each **Claim**.
- D. In the event the Deductible applies to **Damages** and **Claims Expenses** as specified in Item 5.B. of the Declarations Page, the Company's liability for **Damages** and **Claims Expenses** resulting from "each **Claim**" is in excess of the Deductible amount stated on the Declarations Page. In the event that there is a separate aggregate Limit of Liability for **Claims Expenses** and for **Damages** and the Deductible amount applies to **Claims Expenses** and **Damages**, the Deductible amount applies once for each **Claim**. The **Insured** shall pay for **Claims Expenses** and/or **Damages** in the amount of the Deductible for each **Claim**.

- E. The total amount of **Damages** or **Claims Expenses** for which the **Insured** will be responsible as respects all **Claims** shall not exceed the Deductible amount stated in Item 5. of the Declarations Page.

Once the **Named Insured** has paid the Deductible amount stated in Item 5. of the Declarations Page, the **Named Insured** does not have to pay any further amount as a Deductible.

The **Named Insured** shall remit the Deductible within ten (10) days of the Company's written demand. Failure of the **Named Insured** to remit the Deductible upon receipt of such demand shall disqualify the **Named Insured** from being able to exercise the option to purchase an Extended Reporting Period endorsement.

- F. If the **Company** and the **Named Insured** agree to the final settlement of a **Claim** with the claimant during the initial voluntary mediation of that **Claim** or within thirty (30) days after participation in such mediation, the **Named Insured's** Deductible obligation for such **Claim** will be reduced by fifty (50%) percent subject to a maximum reduction of \$25,000. Deductible payments made by the **Named Insured** prior to the application of the above credit will be reimbursed within thirty (30) days of the resolution of

the **Claim**. This reduction does not apply to any **Claim** resolved through voluntary or involuntary arbitration.

SECTION IV – TERRITORY

The insurance afforded by this policy applies to any **Claim** made or **Suit**, if any, brought within the United States of America, its territories, possessions, Puerto Rico or Canada.

SECTION V – WHEN TO REPORT A CLAIM

- A. Written notice shall be given by the **Insured** to the Company when the **Insured** first becomes aware of a **Claim** or **Suit** first made against an **Insured** during the **Policy Period** or any applicable Extended Reporting Period, and the **Insured** shall immediately forward to the Company copies of any and all demand letters, legal pleadings and other information relative to such **Claim** or **Suit**. In any event, such **Claim** or **Suit** must be reported to the Company within thirty (30) days after the end of the **Policy Period** or any applicable Extended Reporting Period.
- B. Written notice shall be given by the **Insured** to the Company if during the **Policy Period** or any applicable Extended Reporting Period, the **Insured** first becomes aware of a breach of a professional duty, or an act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** or any event or circumstance, which could reasonably be expected to result in a **Claim** against an **Insured** within the scope of coverage of this policy. If such written notice is received by the Company within thirty (30) days after the expiration of the **Policy Period** or any applicable Extended Reporting Period, any **Claim** subsequently made against the **Insured** arising out of such reported matter will be deemed to have been first made on the date on which such written notice is received by the Company.

Such written notice to the Company should contain a description of the matter referred to in the paragraph above, the date on which such matter took place, the injury or damage which has or may result from such matter and the identity of any injured persons and/or organization subject to such injury or damage. Such matter shall be subject to all terms, conditions and provisions in this policy as applicable to a **Claim**.

SECTION VI – EXCLUSIONS

This insurance does not apply to **Claims**:

- A. Arising out of an illegal, dishonest, fraudulent, criminal, knowingly wrongful, or malicious act, error or omission, or an intentional or knowing violation of the law, including but not limited to the Racketeer Influenced and Corrupt Organizations Act (commonly known as RICO), committed by, at the direction of, or with the knowledge of any **Insured**; however, for such **Claims** otherwise covered by this policy, the Company will provide a defense until such time as the act, error, or omission is found to be illegal, dishonest, fraudulent, criminal, malicious, or was an intentional or knowing violation of the law by trial, court ruling, regulatory ruling or admission;
- B. Based on or arising out of the rendering of or failure to render **Professional Services** by any **Insured** in their capacity as an employee, owner, partner, stockholder, director or officer of any sole proprietorship, partnership or corporation or other business enterprise which is not defined as **Named Insured, Predecessor in Business** or **Successor in Business**;
- C. For:
 - 1. **Bodily Injury**; or

2. Physical injury, damage to or destruction of or loss of use of tangible property;

This exclusion does not apply to mental illness, emotional distress or humiliation which results solely from an act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services**;

- D. Based on or arising out of any obligations for which an **Insured** or any carrier acting as his insurer may be liable under any workers' compensation, unemployment compensation, disability, retirement plan, pension or pension benefits law, or any similar laws, including but not limited to, the Employee Retirement Income Security Act of 1974, Public Law 93-406 (ERISA), or any of its amendments, or any other similar state or local law, or any non-qualified plan, while any **Insured** is acting as a fiduciary within the meaning of said laws. This exclusion shall not apply if an **Insured** is deemed to be a fiduciary solely on the basis of rendering legal advice with respect to a particular employee benefit plan;
- E. Based on or caused by any **Insured** acting in the capacity of trustee or administrator of any kind of an employee benefit plan, pension, retirement, or profit sharing plan, or investment pool, fund or trust;
- F. Based on or arising out of **Professional Services** performed for any entity, other than the **Named Insured**, which at the time of the act, error, omission or **Personal Injury** giving rise to the **Claim**, was owned, controlled, managed or operated by any **Insured**. This exclusion shall not apply if at the time the **Professional Services** were rendered, the percentage of ownership in such entity, by any **Insured**, their spouse, or a cumulation of **Insureds**, did not exceed 10%;
- G. Seeking restitution, reduction, disgorgement, set off, return, or payment of any form of legal fees, related fees, or any other costs, expenses, or charges;
- H. Made by an **Insured** against any other **Insured**, unless such **Claim** arises solely out of **Professional Services** performed for an **Insured** by another **Insured** in a lawyer-client relationship;
- I. Based upon or arising out of the actual or alleged notarized certification or acknowledgement by any **Insured**, in their capacity as a notary public, of a signature without the physical appearance at the time of said notarization before such notary public, or the person who is or claims to be the person signing such instrument; however, this exclusion shall not apply to notarial acts performed by an **Insured** in compliance with applicable state law(s), administrative rule(s) and/or regulation(s) allowing commissioned notaries public to perform notarial acts electronically. For those states with no such applicable law(s), administrative rule(s) and/or regulation(s), this exclusion shall not apply to notarial acts performed by an **Insured** in compliance with the National Electronic Notarization Standard as established and adopted by the National Association of Secretaries of States.
- J. Based on or arising out of an **Insured** acting or serving as an elected or appointed public official or employee of any governmental agency, body or subdivision. However, this exclusion shall not apply to any **Claim** made which arises solely and exclusively from the performance of **Professional Services** by an **Insured** for the governmental agency, body or subdivision;
- K. For unlawful discrimination or wrongful termination or any **Claim** based on or arising out of any other employment related practices.

SECTION VII – DEFINITIONS

When used in this policy (including endorsements forming a part of the policy):

- A. **Alternative Dispute Resolution** means the use of mediation or non-binding arbitration proceedings in which the **Insured** participates with the consent of the Company.
- B. **Bodily Injury** means bodily harm, sickness, disease, emotional distress or death that results to any person.
- C. **Claim** means a demand for money, the filing of **Suit** or the institution of arbitration or mediation proceedings naming the **Insured**, received by the **Insured** and alleging an act, error, omission or

Personal Injury in the rendering of or failure to render **Professional Services**.

Claim does not include proceedings seeking injunctive or other non-pecuniary relief or that portion of a proceeding seeking monetary relief that seeks injunctive or other non-pecuniary relief.

D. **Claims Expenses** means:

1. Fees charged by an attorney(s) designated by the Company and all other fees, costs, and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim, Suit** or proceeding arising in connection therewith, if incurred by the Company, or by an **Insured** with written consent of the Company, but does not include salary charges or expenses of regular employees or officials of the Company, or fees and expenses of independent adjusters;
2. All costs taxed against an **Insured** in such **Suits**, and all interest on the entire amount of any judgment which accrues after entry of the judgment and before the Company has paid, tendered or deposited, whether in court or otherwise, the part of the judgment which does not exceed the limit of the Company's liability;
3. Prejudgment interest; or
4. Premiums on appeal bonds and premiums on bonds to release attachments in such **Suits**, but not premiums for bond amounts in excess of the applicable Limit of Liability of this policy. Notwithstanding the foregoing, the Company shall have no obligation to pay for or furnish any bond.

E. **Damages** means compensatory judgments, settlements or awards, but does not include fines or penalties, sanctions, the return of fees or other consideration paid to the **Insured**, or that portion of any award or judgment caused by the trebling or multiplication of actual damages under federal or state law. **Damages** does not include matters uninsurable in the jurisdiction governing this policy.

However, if a **Suit** is brought against an **Insured** with respect to a **Claim** falling within the scope of coverage afforded by this policy, and such **Suit** seeks both compensatory and multiplied damages, then the Company will afford a defense to such action without liability for payment of such multiplied damages.

Damages includes punitive or exemplary damages to the extent such damages are insurable under the internal laws of the applicable jurisdiction that most favors coverage for such damages.

Notwithstanding the foregoing:

1. For **Named Insureds** in Illinois and Kansas: In applying the foregoing, only punitive damages awarded for vicarious liability of the **Insureds** is insurable under state law.
2. For **Named Insureds** in Minnesota: Provided, however, punitive damages shall only be covered under this policy to the extent that this policy is construed by a court of competent jurisdiction, or an arbitration panel:
 - a. Pursuant to Minnesota law, and such damages are awarded against an **Insured** for that **Insured's** vicarious liability in a **Claim** and are otherwise covered under this policy; or
 - b. Under the laws of any jurisdiction other than Minnesota, and such damages awarded against an **Insured** in a **Claim**, if such damages are insurable under the laws of that jurisdiction, and are otherwise covered under this policy.
3. For **Named Insureds** in Florida, New York, Oklahoma and Rhode Island: In applying the foregoing, punitive damages are not insurable under state law.
4. For **Named Insureds** in Ohio and South Dakota: In applying the foregoing, punitive and exemplary damages are not insurable under state law.

F. **Insured** means any person or organization qualifying as an **Insured** under SECTION II – Insureds, of this policy. The insurance afforded applies separately to each **Insured** against whom a **Claim** is made or **Suit** is brought except with respect to the limits of liability.

- G. **Named Insured** means the person or organization named in Item 1. of the Declarations Page.
- H. **Personal Injury** means:
1. False arrest, detention or imprisonment, wrongful entry or eviction, other invasion of private occupancy or malicious prosecution; or
 2. The publication or utterance of a libel, slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy.
- I. **Policy Period** means the period from the inception date of this policy to the policy expiration date as stated on the Declarations Page, or its earlier termination date, if any.
- J. **Predecessor in Business** means any law firm which has undergone dissolution and:
1. Some or all of such firm's, principals, owners, officers or partners have joined the **Named Insured**, provided such persons were responsible for producing in excess of 50% of the prior firm's annual gross revenues and such billings have been assigned or transferred to the **Named Insured**; or
 2. At least 50% of the principals, owners, partners or officers of such firm have joined the **Named Insured**; or
 3. The **Named Insured** has assumed 50% or greater of the prior firm's assets and liabilities.
- K. **Professional Services** means:
1. Services performed or advice given by the **Insured** in the **Insured's** practice as a lawyer, arbitrator, mediator, title agent or lobbyist;
 2. Services as a notary public;
 3. Services as a trustee, administrator, conservator, executor, guardian, receiver or similar fiduciary capacity except when any **Insured** is a beneficiary or distributee of any trust or estate serviced and the fee accruing from such work inures to the benefit of any **Insured**;
 4. Advice given or services performed in connection with any professional institute or any standards board or any other professional body whether or not it is performed on behalf of the **Named Insured**;
 5. The publication or presentation of legal research papers or similar legal materials, but only if direct pecuniary compensation per publication or presentation is less than \$3,000;
 6. Services performed by the **Insured** in the course of a lawyer-client relationship on behalf of one or more clients shall be deemed for the purpose of this section to be the performance of **Professional Services** for others in the **Insured's** capacity as a lawyer, although such services could be performed wholly or in part by non-lawyers;
 7. Services as stated in K.1.-6. above when performed as legal pro bono work.
- L. **Retroactive Date** means the **Retroactive Date** as stated on the Declarations Page, or any endorsement attached hereto, on or after which any act, error, omission or **Personal Injury** must have happened in order for any **Claim** arising therefrom to be covered under this policy. Any **Claim** arising from any act, error, omission or **Personal Injury** happening prior to the **Retroactive Date** is not covered by this policy.
- M. **Successor in Business** means, after dissolution of the **Named Insured**, any firm in which:
1. Some or all of the principals, owners, officers or partners of the **Named Insured** have joined an existing, or formed a new firm, provided such persons were responsible for producing more than 50% of the **Named Insured's** annual gross revenues at the time of dissolution and such revenues have been assigned or transferred to the successor firm; or
 2. At least 50% of the principals, owners, partners or officers of the **Named Insured** have joined an

existing, or formed a new firm; or

3. At least 50% of the assets and liabilities of the **Named Insured** have been assumed.

N. **Suit** means a civil adjudicatory proceeding in a court.

SECTION VIII – AUTOMATIC EXTENDED REPORTING and EXTENDED REPORTING OPTIONS

A. Automatic Extended Reporting Period:

In the case of cancellation or non-renewal of this policy by the **Named Insured** or the Company, for any reason, an automatic thirty (30) day extended reporting period, effective at the termination of the **Policy Period**, will be provided by the Company at no additional cost. This Automatic Extended Reporting Period shall extend the time in which an **Insured** must give written notice to the Company of **Claims** first made against the **Insured** during this Automatic Extended Reporting Period arising out of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** which happens after the **Retroactive Date** and prior to the termination of the **Policy Period**, subject to its terms, limitations, exclusions and conditions. The Automatic Extended Reporting Period shall not extend the **Policy Period**.

B. Extended Reporting Period Option:

1. Eligibility

In the case of cancellation or nonrenewal of this policy by the **Named Insured** or the Company for any reason other than cancellation by the Company for nonpayment of premium or Deductible, or material misrepresentation by any **Insured** in the application for this policy, the **Named Insured** shall have the right to purchase an extension of the time during which **Claims** must be reported for an additional premium of:

- a. 100% of the full annual premium for this policy, by a period of twelve (12) months; or
- b. 150% of the full annual premium for this policy, by a period of twenty-four (24) months; or
- c. 185% of the full annual premium for this policy, by a period of thirty-six (36) months; or
- d. 210% of the full annual premium for this policy, by a period of forty-eight (48) months; or
- e. 225% of the full annual premium for this policy, by a period of sixty (60) months; or
- f. 300% of the full annual premium for this policy, to an unlimited period;

following the effective date of such cancellation or non-renewal in which to give written notice to the Company of **Claims** first made against the **Insured** during this Extended Reporting Period for any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** which happens after the **Retroactive Date** and prior to the termination of the **Policy Period**, subject to its terms, limitations, exclusions and conditions. This right shall terminate, however, unless written notice of such election together with the full additional premium is received by the Company or its authorized agent from the **Named Insured** within thirty (30) days after the effective date of cancellation or nonrenewal.

The **Named Insured's** failure to remit any Deductible upon receipt of such demand shall disqualify the **Named Insured** from being able to exercise the option to purchase an Extended Reporting Period endorsement.

Notwithstanding the additional premium noted in items a. - f., in the event that the **Named Insured** has been insured by the Company under a Lawyers Professional Liability Insurance Policy continuously for the last four (4) full years, the additional premium for purchase of the Extended Reporting Period shall be reduced by 50%.

2. Termination of Any Extended Reporting Period Option

At the commencement of any Extended Reporting Period, the entire premium shall be deemed earned and the Company shall not be liable to return to the **Insured** any portion of the premium for

any Extended Reporting Period.

3. The fact that the period during which **Claims** must be first made against the **Insured** under this policy is extended by virtue of any Extended Reporting Period shall not in any way increase the Limits of Liability of this policy. The Limits of Liability available under any Extended Reporting Period shall be part of, and not in addition to, the Limits of Liability available under this policy issued to the **Named Insured**.
4. Any Extended Reporting Period shall not extend the **Policy Period**. Furthermore, the Automatic Extended Reporting Period does not extend the time to purchase the Extended Reporting Period Option. The Deductible amount shown in Item 5. of the Declarations Page shall apply to any **Claim** made during any Extended Reporting Period.

C. Nonpracticing Extended Reporting Period:

1. Eligibility

- a. The provisions of this subsection entitled "Nonpracticing Extended Reporting Period" apply to any lawyer employed by the **Named Insured** (hereinafter referred to as "**you**" or "**your**") who falls within the definition of "**Insured**" set forth in SECTION II Item C., but not to such lawyers acting as "of counsel", as independent contractors, or as lawyers contracting on a *per diem* basis.
- b. If **you** retire or otherwise cease the private practice of law during the **Policy Period**, then **you** have the option to extend the insurance afforded by this policy subject otherwise to its terms, limits of liability, exclusions and conditions. Such extension (hereinafter, "Nonpracticing Extended Reporting Period") shall apply to **Claims** first made against **you** during the period of months as purchased immediately following the effective date of such retirement or cessation of private practice, or the effective date of this policy's cancellation, if sooner (hereinafter, "**Effective Date**"), but only for any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** committed by **you** after the **Retroactive Date** and before such **Effective Date** and otherwise covered by this insurance, provided there is no other insurance in effect on or after such **Effective Date** which covers **you** for such liability or **Claim**.

2. A specific Nonpracticing Extended Reporting Period must be purchased by **you**. For each of **you** purchasing the Nonpracticing Extended Reporting Period, the premium is:

- a. 100% of the full annual premium for this policy, for a period of twelve (12) months; or
150% of the full annual premium for this policy, for a period of twenty-four (24) months; or
185% of the full annual premium for this policy, for a period of thirty-six (36) months; or
210% of the full annual premium for this policy, for a period of forty-eight (48) months; or
225% of the full annual premium for this policy, for a period of sixty (60) months; or
300% of the full annual premium for this policy, for an unlimited period;

modified by the number of **you** purchasing the Nonpracticing Extended Reporting Period divided by the total number of lawyers in the **Named Insured**.

- b. The Company will waive the premium for any Nonpracticing Extended Reporting Period if **you**:
 - (1) die, except by suicide; or
 - (2) become totally and permanently disabled; or
 - (3) retire or otherwise cease the private practice of law;

during the **Policy Period** and have been insured by the Company under a Lawyers' Professional Liability Insurance Policy continuously for the last three (3) full years.

- c. The Deductible amount and Deductible provisions of this policy will be waived with respect to **Claims** first made against **you** during the Nonpracticing Extended Reporting Period, if purchased by **you**.
3. Nonpracticing Extended Reporting Period Limits of Liability
 - a. The limits of liability applicable to any and all Nonpracticing Extended Reporting Periods provided under the policy will be part of and not in addition to the limits of liability stated in the Declarations. The purchase of any Nonpracticing Extended Reporting Periods will not increase the limits of liability stated in the Declarations, which shall be the Company's maximum liability for the **Policy Period** and all Nonpracticing Extended Reporting Periods combined regardless of the number of Nonpracticing Extended Reporting Periods purchased.
 - b. If other insurance exists which covers **Claims** first made during the Nonpracticing Extended Reporting Period, the coverage provided under this policy for the Nonpracticing Extended Reporting Period will not apply.
4. Purchasing the Nonpracticing Extended Reporting Period
 - a. As a condition precedent to the **Your** right to elect the Nonpracticing Extended Reporting Period, any and all premium and Deductibles that are due must have been paid and **you** must have complied with all other terms and conditions of this policy.
 - b. The Nonpracticing Extended Reporting Period will not be available if **you** are disbarred, suspended or resign in lieu of suspension in any state or court where **you** have a license or have a right to practice.
 - c. **Your** right to purchase the Nonpracticing Extended Reporting Period must be exercised by notice in writing to the Company not later than thirty (30) days after the effective date of **your** retirement or cessation of private practice, or not later than the effective date of this policy's cancellation, if sooner, even if the Company has waived the premium pursuant to Item C.2.b. above. Such notice must indicate the date of **your** retirement or cessation of private practice and must include payment of the entire premium, if any, for such Nonpracticing Extended Reporting Period. **You** may not change the option purchased once that has been purchased. At the commencement of any Nonpracticing Extended Reporting Period **you** purchase, the entire premium shall be deemed earned and the Company shall not be liable to return to the **Insured** any portion of the premium for any Nonpracticing Extended Reporting Period.

SECTION IX – GENERAL CONDITIONS

A. Premium

All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to this insurance. The **Named Insured** shall maintain records of the information necessary for premium computation and shall send copies of such records to the Company at such times as the Company may direct.

B. Assistance and Cooperation of Insured

All **Insureds** shall fully cooperate in the Company's investigation of any matter tendered under the policy, including submitting to a statement under oath when requested by the Company and shall fully cooperate with the Company in the defense of any **Claim** made under this policy.

Upon the Company's request, all **Insureds** shall assist in making settlements, in the conduct of **Suits** and in enforcing any right of contribution, subrogation or indemnity against any person, organization or other insurer which may be liable to the **Insured** or the Company for **Damages** or **Claims Expenses**.

The **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. No **Insured** shall, except at the **Insured's** own cost, voluntarily make any payments, assume any obligation or incur any expense. The **Insured** may provide for **Alternative Dispute Resolution** with a client under an engagement letter or any other written contract as long as such agreement is executed in writing prior to any **Claim** or potential **Claim**.

The **Insured** will consent to the submission of special verdict forms or other written inquiries to the trier of fact for the purpose of determining the basis for the **Insured's** liability and any **Damages** awarded if **Suit** or any other proceeding is brought on the **Claim**.

C. Assignment

This policy may not be assigned without first obtaining the written consent of the Company. No **Insured's** rights under this policy are assignable. If any **Insured** shall die or be adjudged incompetent, this insurance shall terminate for such person, but shall cover the **Insured's** legal representative with respect to liability previously incurred and covered by this insurance.

D. Legal Action Against the Company

No action shall lie against the Company unless there shall have been full compliance with all of the terms and conditions of this policy, nor until the amount of the **Insured's** obligation to pay shall have been finally determined, either by judgment against the **Insured** or by written settlement agreement between the **Insured** and the claimant, entered into with the written consent of the Company.

Any person or organization or the legal representative thereof who has secured a judgment or written settlement agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. A written settlement agreement means a settlement and release of liability signed by the **Insured** and the claimant with the written consent of the Company. No person or organization shall have any right under this policy to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the Company be impleaded by the **Insured** or his legal representative.

The Company will not be liable for **Damages** that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance.

E. Conformity to Statute

In the event that any terms, conditions or exclusions of this policy conflict with any law applicable to the coverage afforded hereunder, the terms of this contract shall, by this statement, be amended to conform to such law or laws.

F. Other Insurance

If there is other valid insurance (whether primary, excess, contingent or qualified self-insurance, including Extended Reporting Period coverage in the **Insured's** previous insurance) which may apply to a **Claim** covered by this policy, the insurance provided hereunder shall be deemed excess insurance over and above the applicable limit of all other insurance or qualified self-insurance.

When this insurance is excess, the Company shall have no duty under this policy to defend any **Claim** or **Suit** that any other insurer or qualified self-insurer has a duty to defend. If such other insurer or self-insurer refuses to defend such **Claim** or **Suit**, the Company shall be entitled to the **Insured's** rights against all other insurers or qualified self-insurers for any **Claims Expenses** and **Damages** incurred by the Company.

If a loss occurs involving two or more policies, each of which provides that its insurance shall be excess, each will contribute pro rata.

G. Subrogation

To the extent of any payment under this policy, the Company shall be subrogated to all the **Insured's** rights of recovery against any person, organization or entity, and all **Insureds** shall execute and deliver

instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after any loss to prejudice or terminate such rights and shall fully cooperate with the Company. The Company shall not exercise any such rights against any persons, firms or companies included in the definition of **Insured**. Notwithstanding the foregoing, however, the Company reserves the right to exercise any rights of subrogation against an **Insured** in respect of any **Claim** brought about or contributed to by any dishonest, criminal, fraudulent, malicious or illegal acts or omissions.

H. **Cancellation**

This policy may be canceled by the **Named Insured** by surrender thereof to the Company or any of its authorized representatives or by mailing to the Company written notice stating when thereafter the cancellation shall be effective.

The policy may be canceled by the Company by mailing to the **Named Insured** at the address shown in the policy written notice stating when not less than sixty (60) days thereafter, or ten (10) days in the case of nonpayment of premium, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice either by the **Named Insured** or by the Company shall be equivalent to such mailing.

If either the **Named Insured** or the Company cancels, earned premium shall be the pro rated amount of the annual premium. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Company's check or the check of its representative mailed as aforesaid shall be sufficient tender of any refund or premium due to the **Named Insured**, provided that if at the time of cancellation the aggregate limit of liability of this policy has been exhausted, the entire premium shall be considered earned.

I. **Nonrenewal**

The Company may nonrenew this policy by mailing or delivering to the **Named Insured** at the address stated in the Declarations Page written notice of nonrenewal at least sixty (60) days before the expiration date of this policy. The offer of renewal policy terms, conditions, or premium amount different than those in effect prior to renewal does not constitute nonrenewal.

J. **Changes**

The terms of this policy shall not be waived or changed except by endorsement issued to form a part of this policy.

K. **Bankruptcy or Insolvency of Insured**

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Company of any of its obligations under this policy.

L. **Declarations and Application**

By acceptance of this policy, all **Insureds** agree that the statements in the application are the **Insureds'** agreements and representations, that they shall be deemed material, that this policy is issued in reliance upon the truth of such representations, that this policy embodies all agreements existing between the **Insureds** and the Company or any of its agents relating to this insurance. The application, which is deemed attached, forms a part of and is incorporated within the policy issued to the **Named Insured**.

M. **Reimbursement**

While the Company has no duty to do so, if the Company pays **Damages** or **Claims Expenses**:

1. Within the amount of the applicable Deductible; or
2. In excess of the applicable Limit of Liability; or
3. Under a reservation of rights to seek reimbursement;

and it is determined that the Company is entitled to reimbursement, all **Insureds** shall be jointly and severally liable to the Company for such amounts. Upon written demand, the **Insured** shall repay such amounts to the Company within thirty (30) days. Failure to pay any amount indicated may lead to policy termination.

N. Liberalization

If the Company adopts any revision to this standard policy wording that would broaden the coverage under this policy without additional premium at any time during the **Policy Period**, the broadened coverage will immediately apply to this policy, without any effect on the other terms and conditions, such as the Limits of Liability.

O. Waiver of Exclusion and Breach of Notification or Reporting Requirements

Whenever coverage under any provision of this policy would be excluded, suspended or lost:

1. because of EXCLUSION A; or
2. because of noncompliance with SECTION V – When to Report a Claim by any **Insured** whose failure to give written notice to the Company was due to:
 - a. the concealment by another **Insured** of the acts, errors, omissions or **Personal Injuries** which gave rise to a **Claim**; and
 - b. the failure of that other **Insured** to give written notice to the Company;

then the Company agrees that such insurance as would otherwise be afforded under this policy shall not be excluded, suspended or lost with respect to any **Insured** who did not personally commit, participate or acquiesce in one or more of the acts or omissions by another **Insured** triggering the application of EXCLUSION A; or who, with respect to SECTION V – When to Report a Claim, did not personally fail to comply, or did not remain passive after learning of another **Insured's** failure to comply with such Condition, and did comply with such Condition promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith.

In any event, such **Claim** or **Suit** must be reported to the Company within thirty (30) days after the end of the **Policy Period**, or any applicable Extended Reporting Period.

P. Nuclear Energy Liability Exclusion (Broad Form)

The insurance does not apply:

1. Under any Liability Coverage, to **Bodily Injury** or **Property Damage**:
 - a. With respect to which an **Insured** under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - b. Resulting from the **Hazardous Properties of Nuclear Material** and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the **Insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
2. Under any Medical Payments Coverage, to expenses incurred with respect to **Bodily Injury** resulting from the **Hazardous Properties of Nuclear Material** and arising out of the operation of a **Nuclear Facility** by any person or organization.
3. Under any Liability Coverage, to **Bodily Injury** or **Property Damage** resulting from the **Hazardous Properties of Nuclear Material**, if:

- a. The **Nuclear Material** (1) is at any **Nuclear Facility** owned by, or operated by or on behalf of, an Insured or (2) has been discharged or dispersed therefrom;
 - b. The **Nuclear Material** is contained in **Spent Fuel** or **Waste** at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an **Insured**; or
 - c. The **Bodily Injury** or **Property Damage** arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **Nuclear Facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion c. applies only to **Property Damage** to such **Nuclear Facility** and any property thereat.
4. As used in this exclusion:

Hazardous Properties includes radioactive, toxic or explosive properties.

Nuclear Material means **Source Material**, **Special Nuclear Material** or **By-Product Material**.

Source Material, **Special Nuclear Material**, and **By-Product Material** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

Spent Fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **Nuclear Reactor**.

Waste means any waste material (1) containing **By-Product Material** other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **Source Material** content, and (2) resulting from the operation by any person or organization of any **Nuclear Facility** included under the first two paragraphs of the definition of **Nuclear Facility**.

Nuclear Facility means:

- a. Any **Nuclear Reactor**;
- b. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **Spent Fuel**, or (3) handling, processing or packaging **Waste**;
- c. Any equipment or device used for the processing, fabricating or alloying of **Special Nuclear Material** if at any time the total amount of such material in the custody of the **Insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **Waste**;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

Nuclear Reactor means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

Property Damage includes all forms of radioactive contamination of property.



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IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its Authorized Representative and countersigned on the Declarations Page by a duly authorized agent of the Insurer.

President

Secretary

SPECIMEN