

Policy Number: ALA-04-000982-01

**LAWYERS PROFESSIONAL LIABILITY POLICY  
DECLARATIONS**

NOTICE: THIS IS A CLAIMS MADE AND REPORTED POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY PROVIDES COVERAGE FOR **CLAIMS** FIRST MADE AGAINST THE **INSUREDS** AND REPORTED TO THE **INSURER** DURING THE **POLICY PERIOD** OR DURING ANY APPLICABLE EXTENDED REPORTING PERIOD. PLEASE READ THIS POLICY CAREFULLY. WORDS AND PHRASES WHICH ARE PRINTED IN **BOLD TYPEFACE** HAVE SPECIFIC MEANING AND ARE DEFINED IN SECTION IV. OF THE POLICY. UNLESS STATED OTHERWISE BY SPECIFIC ENDORSEMENT, **DEFENSE EXPENSES** ARE INCLUDED IN THE LIMIT OF LIABILITY AND REDUCE THE LIMIT OF LIABILITY AVAILABLE TO PAY **DAMAGES**.

Item 1.	<b>Named Insured &amp; Street Address:</b> Law Office of P Jayson Thibodaux PLLC 116 Avenue A, Suite B Snohomish, Washington, 98290-
Item 2.	<b>Policy Period:</b> From 11/17/2022 (Effective) To 11/17/2023 (Expiration) (12:01 a.m. local time at the address shown in Item 1.)
Item 3.	<b>Limit of Liability</b> \$1,000,000 each <b>Claim</b> \$1,000,000 <b>Policy Aggregate</b> These amounts include <b>Defense Expenses</b> unless this Section is amended by specific endorsement of this policy.
Item 4.	<b>Deductible:</b> \$5,000 each <b>Claim</b> This amount applies to <b>Defense Expenses</b> unless this Section is amended by specific endorsement of this policy. This amount applies to each <b>Claim</b> unless this Section is amended by specific endorsement of this policy.
Item 5.	<b>Premium: \$2,901.00 + \$0 (0 %, Municipal Tax) + \$0 (0 %, County Tax) + \$0 (0 %, State1 Tax) + \$0 (0 %, State2 Tax)</b>
Item 6.	<b>Prior Acts Date: Date :11/17/2008</b>
Item 7.	The following endorsements, if any, are made a part of this policy at issuance: <b>ALA - 04 - P002 (02/01/2022) , ALA - 04 - P001 (09/01/2021) , ALA - 04 - F005 (09/01/2021) , ALA - 04 - F034 (09/01/2021) , ALA - 04 - F036 (09/01/2021) , ALA - 04 - F040 (02/01/2022) , ALA - 04 - S004 (09/01/2021)</b>


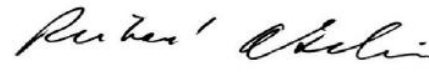
These Declarations, the application, and the policy with endorsements attached thereto, constitute the entire agreement between the **Insurer** and the **Insured**.

Countersigned (if required by law): \_\_\_\_\_

Date: \_\_\_\_\_

**TO REPORT A LOSS - InsClaim Solutions, LLC 10 South LaSalle St Chicago, IL 60603 18th FL**

**Claim Reporting Line: 312-559-4665 Email: claims@ins-claim.com**

IN WITNESS WHEREOF, ISMIE MUTUAL INSURANCE COMPANY has caused this Policy to be signed by its President and Secretary at 20 North Michigan Avenue, Suite 700, Chicago, Illinois 60602	
 Paul H. DeHaan, M.D. Chairman	 Richard A. Geline, M.D. Secretary-Treasurer

## LAWYERS PROFESSIONAL LIABILITY POLICY

In consideration of the payment of premium, the undertaking of the **Insured** to pay the Deductible herein, and in reliance upon the application and supplements and all the information provided to the **Insurer**, and subject to the Declarations, definitions, terms, conditions, limitations, representations, exclusions and endorsements herein or attached hereto, the **Insurer** and the **Insured** agree as follows:

### I. INSURING AGREEMENT

#### A. Coverage

Subject to the Limit of Liability shown in Item 3. of the Declarations and as limited in Section II., the **Insurer** shall pay on behalf of the **Insured** all **Damages** and **Defense Expenses** in excess of the Deductible shown in Item 4. of the Declarations and as limited in Section II., that the **Insured** becomes legally obligated to pay as a result of a **Claim** first made against the **Insured** and reported in writing to the **Insurer** during:

1. the **Policy Period**; or
  2. any applicable Extended Reporting Period,
- by reason of a negligent act, error or omission in the performance of **Professional Services** by the **Insured** or by someone for whom the **Insured** is legally responsible, provided that such negligent act, error or omission began on or after the **Prior Acts** Date shown in Item 6. of the Declarations.

#### B. Defense

Subject to the terms, conditions and exclusions appearing in other Sections of this policy, the **Insurer** has the right and duty to defend any covered **Claim** including, but not limited to, the appointment of legal counsel, even if any of the allegations of the **Claim** are groundless, false or fraudulent.

### II. LIMITS OF LIABILITY AND DEDUCTIBLE

#### A. Limits of Liability

1. Subject to 2. that follows, the **Insurer's** Limit of Liability for **Damages** and **Defense Expenses** combined, for each **Claim** first made and reported to the **Insurer** during the **Policy Period**, including any applicable Extended Reporting Period, shall not exceed the amount shown in Item 3. of the Declarations as applicable to "each **Claim**".
2. Subject to 1. above, the **Insurer's** Limit of Liability for **Damages** and **Defense Expenses** combined, for all **Claims** first made and reported to the **Insurer** during the **Policy Period**, including any applicable Extended Reporting Period, shall not exceed the amount shown in Item 3. of the Declarations as applicable to "**Policy Aggregate**".
3. **Defense Expenses** are included within, and shall reduce, the applicable Limit of Liability available to pay **Damages**.
4. The Limit of Liability shall apply excess of the Deductible amount.
5. The Limit of Liability available for **Claims** first made against the **Insured** and reported to the **Insurer** during any applicable Extended Reporting Period, is part of, and not in addition to the Limit of Liability shown in Item 3. of the Declarations. Applicable Extended Reporting Periods shall not provide a new, additional or renewed Limit of Liability.
6. If the **Insurer** has exhausted the applicable Limit of Liability by payment of **Damages** or **Defense Expenses** or by tender of the remaining Limit of Liability into court, it shall have no further duties to the **Insured** under this policy.

#### B. Deductible

The **Insurer** shall only be liable for amounts payable under this policy for **Damages** or **Defense Expenses** which are in excess of the Deductible amount shown in Item 4. of the Declarations. This Deductible amount shall:

1. apply separately to each and every **Claim**;
2. be borne by the **Insured**; and
3. remain uninsured.

The Deductible amount applies to the payment of **Damages** and **Defense Expenses**. If the **Insurer** advances any amounts within the Deductible, the **Named Insured** shall reimburse the **Insurer** within 30 days of the **Insurer's** request to do so. In the event of **Related Claims**, a single Deductible amount will apply.

### C. Multiple Insureds, Claims and Claimants

Regardless of the number of **Claims**, **Insureds** or claimants, the Limit of Liability shown in Item 3. of the Declarations as applicable to "each **Claim**" and to "**Policy Aggregate**" shall be subject to paragraph A. of this Section II. If **Related Claims** are subsequently made against the **Insured** and reported to the **Insurer**, all such **Related Claims**, whenever made, shall be considered a single **Claim** first made and reported to the **Insurer** within the policy period in which the earliest of the **Related Claims** was first made and reported to the **Insurer**.

## III. EXTENSIONS OF COVERAGE

### A. Estates, Heirs, Bankruptcy Extension

In the event of the death or incapacity of the **Insured**, or the bankruptcy of the **Insured**, any **Claim** made against any heir, executor, administrator, assignee or legal representative of the **Insured** or against any trustee in bankruptcy of the **Insured**, which arises from any negligent act, error or omission of such **Insured** rendering **Professional Services** shall be deemed to be a **Claim** made against such **Insured** for the purposes of this policy. Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate will not relieve the **Insurer** of any of its obligations hereunder.

### B. Spousal and Domestic Partner Extension

If a **Claim** is made against the lawful spouse or lawful domestic partner of an **Insured** which includes a **Claim** for a negligent act, error or omission made against an **Insured** rendering **Professional Services** then such **Claim** shall be deemed a **Claim** made against such **Insured**, provided:

1. his or her lawful spouse or lawful domestic partner accepts the same legal counsel as the **Insured**; and
  2. such **Claim** is made solely by reason of such lawful spouse's or lawful domestic partner's status as such.
- This extension, however, shall not apply to any **Claim** alleging any negligent act, error or omission committed by the lawful spouse or lawful domestic partner of an **Insured**.

### C. Personal Injury and Advertising Liability Extensions

Subject to all other terms, conditions and exclusions, this policy covers **Damages** and **Defense Expenses** the **Insured** becomes legally obligated to pay resulting from **Claims** arising out of **Personal Injury** and **Advertising Liability**.

### D. Extended Reporting Period Extensions

#### 1. Automatic Extended Reporting Period

Upon the expiration of this policy for any reason other than for cancellation for nonpayment of premium or for nonpayment of Deductible due hereunder, the **Named Insured** shall be provided with an automatic and non-cancelable period of 60 days, commencing on the policy expiration date, to report **Claims** to the **Insurer** pursuant to Section VI., General Condition A.1., Notice of **Claim**. Coverage under this extension of time to report a **Claim** (referred to below as the Automatic Extended Reporting Period) shall apply solely to negligent acts, errors or omissions in rendering **Professional Services**:

- (a) committed or attempted prior to the effective date of nonrenewal or cancellation, whichever occurs first; and
- (b) which are not otherwise excluded by any terms, conditions or exclusions of this policy. This Automatic Extended Reporting Period shall not be applicable, however, in the event the **Named Insured** has obtained another policy of Lawyers Professional Liability insurance with an inception date as of the termination date of this policy.

#### 2. Optional Extended Reporting Period

Upon the expiration or cancellation of this policy for any reason other than for nonpayment of premium or for the nonpayment of Deductible due hereunder, the **Named Insured** shall have the right, upon payment of the additional premium shown in one of the options below for the length of time shown, to report **Claims** pursuant to Section VI., General Condition A.1., Notice of **Claim**.

The Optional Extended Reporting Periods are:

- (a) 12 months for a premium charge of 100% of the annual policy premium;
- (b) 36 months for a premium charge of 185% of the annual policy premium;
- (c) 60 months for a premium charge of 225% of the annual policy premium;
- (d) 72 months for a premium charge of 250% of the annual policy premium;
- (e) An unlimited period for a premium charge of 300% of the annual policy premium.

Coverage under such extension of time to report a **Claim** (referred to below as the Optional Extended Reporting Period) shall apply solely to negligent acts, errors or omissions in rendering **Professional Services** committed or attempted prior to the effective date of nonrenewal or cancellation, whichever occurs first, and which are not otherwise excluded by any terms, conditions or exclusions of this policy.

If the Optional Extended Reporting Period requested by the **Named Insured** is issued by the **Insurer**:

- (1) the additional premium shall be fully earned by the **Insurer**; and
- (2) the Optional Extended Reporting Period cannot be cancelled by the **Insureds** or the **Insurer**.

When the Optional Extended Reporting Period applies, it replaces the Automatic Extended Reporting Period.

### 3. Non-Practicing Extended Reporting Period

#### (a) Eligibility

If an **Insured** completely retires from or otherwise ceases the private practice of law during the **Policy Period**, such **Insured** shall have the option to purchase an unlimited period of time during which **Claims** may be reported to the **Insurer** pursuant to Section VI., General Condition A.1., Notice of **Claim**.

Coverage under any such extension of time to report a **Claim** (referred to below as the Non-Practicing Extended Reporting Period) shall apply solely to negligent acts, errors or omissions in rendering **Professional Services**:

- (1) committed or attempted prior to the date of such **Insured's** retirement or termination of private practice; and
- (2) which are not otherwise excluded by any terms, conditions or exclusions of this policy.

The option to purchase a Non-Practicing Extended Reporting Period will apply only to such **Insured** as an individual lawyer and will not apply to any other lawyer, including but not limited to any lawyer acting as an independent contractor or contracting on a per diem basis.

#### (b) Non-Practicing Extended Reporting Period Premium and Deductible

Any specific Non-Practicing Extended Reporting Period must be elected by the **Named Insured**. For each Non-Practicing Extended Reporting Period elected, the additional premium charged will be 300% of the individual lawyer **Insured's** proportionate share of the annual policy premium.

The **Insurer** will waive the premium for a respective Non-Practicing Extended Reporting Period if such individual lawyer **Insured**:

- (1) dies, except by suicide;
- (2) becomes **Totally and Permanently Disabled**; or
- (3) retires or otherwise ceases the private practice of law during the **Policy Period** and has been insured by the **Insurer** under a primary Lawyers Professional Liability Policy continuously for the last three years.

The Deductible amount and Deductible provisions of this policy do not apply to **Claims** first made against such individual lawyer **Insured** during any Non-Practicing Extended Reporting Period.

If the Non-Practicing Extended Reporting Period requested by the **Named Insured** is issued by the **Insurer**, the additional premium, if any, shall be fully earned by the **Insurer** and the Non-Practicing Extended Reporting Period cannot be cancelled by the **Insureds** or the **Insurer**.

#### (c) Non-Practicing Extended Reporting Period Limits of Liability

The **Insurer's** Limit of Liability for all **Claims** first made against an **Insured** during any Non-Practicing Extended Reporting Period will be part of, and not in addition to, the Limit of Liability shown in Item 3. of the Declarations, regardless of the number of Non-Practicing Extended Reporting Periods purchased.

If the Non-Practicing Extended Reporting Period herein applies to a **Claim**, Section VI.H., Other Insurance, shall not apply to such **Claim**. If any other policy of insurance in effect would apply to any **Claim** first made against an **Insured** during the Non-Practicing Extended Reporting Period, then coverage provided under this policy during any Non-Practicing Extended Reporting Period shall not apply. Such other insurance shall render this Non-Practicing Extended Reporting Period inapplicable, even though the limit of liability of such other insurance may be inadequate to pay all **Damages** and **Defense Expenses** or the Deductible amount and retention provisions of such other insurance may be different from those of this policy.

#### 4. Conditions for Extended Reporting Periods

As a condition precedent to the right to elect an Extended Reporting Period:

- (a) all premium and Deductible amounts due under this policy must have been paid;
- (b) all **Insureds** must be in compliance with the terms and conditions of the policy;
- (c) the **Named Insured's** right to practice law has not been revoked, suspended or surrendered at the request of any regulatory authority for reasons other than death, disability or retirement; and
- (d) the **Named Insured** provides the **Insurer** with written notice of its selection and pays the premium charge, if applicable, for the selected Extended Reporting Period in full within 60 days of the expiration date of the **Policy Period**.

This right to elect an Extended Reporting Period shall lapse unless the provisions of (a) through (d) in the preceding paragraph are fully met.

#### E. Deductible Credit for Mediation Extension

If:

1. mediation of a **Claim** takes place either without institution of an arbitration proceeding or service of suit within 60 days of the institution of such proceedings or service of suit; and
2. such **Claim** is ultimately resolved for an amount acceptable to the **Insured** and the **Insurer** by the process of mediation,

the **Insured's** Deductible applying to the **Claim** will be reduced by the lesser of 50% or \$25,000.

#### F. Defendant Reimbursement Extension

The **Insurer** will reimburse an **Insured** \$100 per hour for the time such **Insured** attends a:

1. trial;
2. court hearing;
3. mediation; or
4. arbitration proceeding,

in connection with a **Claim**, when such attendance is at the request of the **Insurer**. Any payments made regarding such attendance will be in addition to the Limit of Liability and are not subject to the Deductible.

#### G. Regulatory Inquiry Extension

If a:

1. regulatory body;
2. state licensing board;
3. public oversight board; or
4. government agency,

having regulatory authority over the **Insured's Professional Services**, first initiates an investigation of any **Insured** during the **Policy Period** which arises from **Professional Services** rendered on or after the **Prior Acts Date** and, such regulatory inquiry is reported to the **Insurer** during the **Policy Period**, the **Insurer** will reimburse the **Named Insured** for attorney fees, court and regulatory body costs incurred in responding to such inquiry, up to \$25,000. This is the maximum amount the **Insurer** will reimburse, regardless of the number of such inquiries or of the number of **Insureds** involved in such inquiries, for all inquiries first initiated against the **Insureds** and reported to the **Insurer** during the **Policy Period**. Any notice the **Insured** gives the **Insurer** of such inquiry pursuant to Section VI., General Condition A.2., shall be deemed notice of a potential **Claim**. Any payments made regarding such inquiry will be in addition to the Limit of Liability and are not subject to the Deductible.

## H. Subpoena Assistance Extension

If during the **Policy Period**, an **Insured** first receives a subpoena for documents or testimony as a fact witness arising from **Professional Services** rendered by the **Insured** in whole on or after the **Prior Acts Date** and such receipt of a subpoena is reported to the **Insurer** during the **Policy Period**, then if:

1. said subpoena arises out of a matter or lawsuit to which an **Insured** is not a party; and
2. no **Insured** has been engaged to provide professional advice or testimony in connection with the matter or lawsuit at any previous time,

then the **Insurer** will retain an attorney to provide advice to the **Insured** regarding the production of documents, to prepare the **Insured** for sworn testimony and to represent the **Insured** at depositions. Any notice the **Insured** gives the **Insurer** of such subpoena pursuant to Section VI., General Condition A.2., shall be deemed notice of a potential **Claim**. Any payments made regarding such subpoena will be in addition to the Limit of Liability and are not subject to the Deductible.

## I. Client Discrimination Extension

If during the **Policy Period**:

1. allegations are made against an **Insured** by a client, or potential client, that any **Insured** refused to perform **Professional Services** for said client or potential client due to discrimination; and
2. such allegations are reported to the **Insurer** during the **Policy Period**

then, provided the allegations did not arise out of such **Insured's** intentional disregard or willful failure to comply with any state or federal laws or regulations governing discriminatory practices, the **Insurer** will reimburse the **Named Insured** solely for **Defense Expenses** incurred by the **Insured** up to \$15,000 for the entire **Policy Period** for all such allegations, regardless of the number of clients or potential clients making such allegations. The **Insurer** shall provide its consent, not to be unreasonably withheld, to the **Named Insured's** choice of counsel in connection with defending such allegations. This policy shall not, however, provide coverage for **Damages** resulting from such allegations. Any notice the **Insured** gives the **Insurer** of such allegations pursuant to Section VI., General Condition A.2., shall be deemed notice of a potential **Claim**. Notwithstanding anything in this policy to the contrary, any **Defense Expenses** incurred regarding such allegations will be in addition to the Limit of Liability and are not subject to the Deductible.

## J. Disciplinary Proceedings Extension

The **Insurer** will reimburse the **Named Insured** up to \$25,000 for each **Insured** and all **Insureds** in the aggregate, for attorney fees and other reasonable costs, expenses or fees paid to third parties (other than an **Insured**) resulting from any one **Disciplinary Proceeding** first received by the **Insured** during the **Policy Period** and reported to the **Insurer** during the **Policy Period**, and arising out of an act, error or omission in the rendering of **Professional Services** by such **Insured** in whole on or after the **Prior Acts Date**. The amount payable hereunder shall not exceed \$25,000 despite the number of such proceedings reported to the **Insurer** during the **Policy Period**. Any notice the **Insured** gives the **Insurer** of such proceedings pursuant to Section VI., General Condition A.2., shall be deemed notice of a potential **Claim**. Any payments made regarding such proceedings will be in addition to the Limit of Liability and are not subject to the Deductible.

## K. Crisis Event Extension

The **Insurer** will reimburse the **Named Insured** up to \$20,000 for **Crisis Event Expenses** that result from a **Crisis Event** first occurring during the **Policy Period** and reported to the **Insurer** during the **Policy Period**. Any such notice the **Insured** gives the **Insurer** pursuant to Section VI., General Condition A.2., shall be deemed notice of a potential **Claim**. Any payments made regarding such event will be in addition to the Limit of Liability and are not subject to the Deductible.

## IV. DEFINITIONS

**A. Advertising Liability** means legal obligations the **Insured** incurs arising out of the marketing and promotion of the **Insured's Professional Services** by reason of:

1. oral or written publication of material which slanders or libels an individual or entity, or which disparages its goods, services or products;
2. misappropriation of marketing or promotion ideas or styles of business of others; or
3. infringement of titles or slogans of others.

**B. Claim** means:

1. a demand or civil proceeding seeking **Damages**;
2. service of suit seeking **Damages**;
3. institution of alternative dispute proceedings seeking **Damages**; or
4. a demand for services.

**C. Crisis Event** means:

1. death, departure or debilitating illness of a principal **Insured**;
2. dissolution of the **Named Insured**; or
3. incident of workplace violence;  
that the **Named Insured** reasonably believes will have a material adverse effect upon the **Named Insured's** reputation.

**D. Crisis Event Expenses** mean reasonable fees, costs and expenses incurred by the **Named Insured** for consulting services provided by a public relations firm to the **Named Insured** in response to a **Crisis Event**.

**E. Damages** means a monetary judgment (including pre- and post-judgment interest awarded against the **Insured**), monetary award or monetary settlement negotiated with the **Insurer's** written consent. If the **Insurer** makes an offer to pay the applicable Limit of Liability, it will not pay any prejudgment interest based on the period of time after such offer is made. Notwithstanding anything to the contrary contained herein, **Damages** also include those amounts the court is permitted to impose on a debt collector as set forth in 15 USC 1692k(a).

**Damages** shall not include:

1. any restitution, disgorgement, unjust enrichment or illegal profits by an **Insured**;
2. return or offset of fees or overcharges or amounts which are the subject of fee disputes;
3. punitive or exemplary damages, awards or judgments or any amounts which are a multiple of compensatory damages, awards or judgments, except to the extent insurance for such damages, awards or judgments is insurable under applicable law and is not otherwise excluded by the provisions of this policy.  
For the purposes of determining whether such damages are insurable:  
(a) the law of the state of incorporation or principal place of business of the **Insured** or the **Insurer**;  
(b) the state where the negligent act, error or omission took place; or  
(c) the state where the damages are awarded or imposed,  
whichever is most favorable to the **Insured**, shall be deemed applicable law;
4. civil or criminal fines, sanctions or penalties;
5. any amounts for which the **Insured** is not financially liable or for which there is no legal recourse against the **Insured**;
6. subject to 3. above, amounts deemed uninsurable under the law pursuant to which this policy shall be construed; or
7. amounts paid to comply with any injunctive order or other non-monetary or declaratory relief or award, including amounts ordered to be paid to comply with specific performance or any agreement to provide such relief.

**F. Defense Expenses** mean reasonable and necessary fees charged by attorneys designated or approved by the **Insurer** and all other reasonable and necessary fees, costs and expenses resulting from the adjustment, negotiation, arbitration, mediation, defense or appeal of a **Claim**, including premiums on appeal, attachment or similar bonds. This provision does not obligate the **Insurer** to apply for or furnish any such bond.

**Defense Expenses** do not include:

1. salaries;
2. charges;
3. wages;
4. loss of wages; or
5. expenses,  
of any partner, principal, director, officer, member or employee of the **Insured** or the **Insurer**.

**G. Disciplinary Proceeding** means a forum in which a complaint alleging violation of any professional rule or professional misconduct is brought before a tribunal of competent jurisdiction which shall make a determination subject to appeal or other review or a final and enforceable determination as to whether such alleged rules or misconduct are to be the subject of discipline.

**H. Immediate Family Member** means a:

1. parent;
2. child;
3. grandchild;
4. brother;
5. sister; or
6. past or present spouse,  
of any past or present **Insured**.

**I. Insured** means the **Named Insured, Predecessor Firm**, and:

1. any present or future principal, partner, director, officer, member or employee of the **Named Insured**;
2. any former principal, partner, director, officer, member or employee of the **Named Insured** or of a **Predecessor Firm**;
3. the estate, heirs, executors, administrators, assigns and legal representatives of an **Insured** but only in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, and only to the extent that such **Insured** would otherwise have been provided coverage under the terms, conditions and exclusions of this policy;
4. any contract or temporary employee of a **Named Insured** under the direct supervision of an **Insured**; and
5. any lawyer acting as "of counsel";  
but only with respect to **Professional Services** performed within the scope of their duties on behalf of the **Named Insured** or **Predecessor Firm**.

**J. Insurer** means the insurance company named in the Declarations.

**K. Named Insured** means the entity, individual, partnership or corporation shown in Item 1. of the Declarations.

**L. Personal Injury** means any of the following which arise from **the Insured's Professional Services**:

1. false arrest, detention or imprisonment; malicious prosecution;
2. the publication or utterance of a libel or slander or other defamatory or disparaging statement or disparaging material;
3. a publication or utterance in violation of a person's right of privacy;
4. the wrongful eviction of a person from a residence; or
5. wrongful entry into, or invasion of the right of private occupancy.

**M. Policy Aggregate** means the amount shown in Item 3. of the Declarations which represents the maximum amount of the **Insurer's** liability for all:

1. **Claims**;
  2. **Damages**; and
  3. **Defense Expenses**,
- combined under this policy, inclusive of any applicable Extended Reporting Period.

**N. Policy Period** means the length of time between the effective date shown in Item 2. of the Declarations and the earlier of:

1. the expiration date shown in Item 2. of the Declarations; or
2. the cancellation date of this policy.

**O. Predecessor Firm** means an individual, partnership, professional corporation, professional association, limited liability corporation or partnership which was at all times engaged in **Professional Services** and to whose financial assets and liabilities the **Named Insured** is the majority successor in interest prior to the effective date shown in Item 2. of the Declarations.

**Predecessor Firm** does not include any individual, partnership, professional corporation, professional association, limited liability corporation or partnership which was at all times engaged in **Professional Services** and to whose financial assets and liabilities the **Named Insured** becomes the majority successor in interest after the effective date of this policy shown in Item 2. of the Declarations unless the **Insurer** at its sole discretion agrees to include such entity. Should the **Insurer** agree to include such entity it may do so for an additional premium or with amended policy terms and conditions.

**P. Prior Acts Date** means the date shown in Item 6. of the Declarations.



**Q. Professional Services** means:

1. those services performed for a client in the **Insured's** capacity as a lawyer for a monetary fee;
2. those services performed as an arbitrator, mediator or notary public for a monetary fee;
3. those services performed as a title agent for a client which are incidental to services performed as a lawyer for the client for a monetary fee;
4. pro bono services performed by an **Insured** if at the time such services were rendered, they were approved by a partner, director or officer of the **Named Insured** to be performed without compensation;
5. those services performed as a member of a formal accreditation, standards review or similar professional board or committee solely related to the profession of the practice of law, but only when such formal accreditation, standards review or similar professional board or committee solely related to the profession of the practice of law does not indemnify the **Insured** or have insurance coverage applicable to the **Insured** in respect of such services; and
6. those services performed as an administrator, conservator, receiver, executor, trustee, guardian, or any similar fiduciary capacity, or court-appointed trustee. However, no coverage shall apply to any loss sustained by any **Insured** as the beneficiary or distributee of any trust or estate.

**R. Related Claims** means all **Claims** arising from negligent acts, errors or omissions that have as a common nexus any fact, circumstance, situation, transaction, event or cause or series of causally connected facts, circumstances, situations, transactions, events or causes.

**S. Totally and Permanently Disabled** means that the **Insured** is so disabled as to be wholly prevented from rendering **Professional Services** provided that such disability is reasonably expected to be continuous and permanent, and:

1. has existed continuously for not less than six months; or
2. the **Insurer** is provided with written proof of the **Insured's** total and permanent disability, including the date the disability commenced, certified by a physician acceptable to the **Insurer**.

## V. EXCLUSIONS

This policy does not apply to any **Claim** based upon or arising out of:

**A.** a dishonest, intentional, fraudulent, criminal or malicious act or omission or any intentional or knowing violation of law by any **Insured**. However:

1. the **Insurer** will provide the **Insured** with a defense of such **Claim** and pay **Defense Expenses** for any such **Claim** until there is a judgment, final adjudication or adverse admission by an **Insured** or a finding of fact against an **Insured** as to such conduct; and
2. this exclusion shall not apply to an **Insured** who, in fact, did not personally commit, direct or participate in committing a dishonest, intentional, fraudulent, criminal or malicious act or omission or any intentional or knowing violation of law.

**B.** 1. physical injury, sickness, disease or the death of any person including mental anguish or emotional distress resulting therefrom; or  
2. physical injury to, or destruction of any tangible property, including any resulting loss of use thereof. However, this exclusion shall not apply to accounting records of clients of the **Named Insured**.

**C.** 1. an **Insured's** capacity as a fiduciary under the Employee Retirement Income Security Act of 1974 and any amendments thereto. However, this exclusion shall not apply if:  
(a) a court of competent jurisdiction deems an **Insured** to be a fiduciary under such Act solely by reason of **Professional Services** an **Insured** rendered to any employee benefit plan; or  
(b) an **Insured** is appointed as a Receiver, Trustee or Custodian of an employee benefit plan by a court of law; or  
2. any actual or alleged violation of the Racketeer Influenced and Corrupt Organizations Act.

**D. Professional Services** performed for any person by an **Insured**, if at the time of any negligent act, error or omission giving rise to the **Claim**, such **Professional Services** were rendered to an **Immediate Family Member**.

- E. Professional Services** performed by an **Insured** for any entity, or any individual partner, member, director or employee of such entity, if at the time of any negligent act, error or omission giving rise to the **Claim**:
1. such **Insured** or his/her **Immediate Family Member** controlled or owned more than 10% equity interest, operated or managed such entity; or
  2. such **Insured** or his/her **Immediate Family Member** was a partner, member, director, officer or employee of such entity.
- F.** 1. liability of others assumed by an **Insured** under any contract or agreement; or
2. the breach of any express warranty of any contract unless such liability would have attached to the **Insured** even in the absence of such contract or agreement.
- G.** actual or alleged negligent acts, errors or omissions asserted by or on behalf of one or more Insureds against any other **Insured**.
- H.** an **Insured** acting in the capacity as:
1. an executor, administrator or personal representative of an estate or as a trustee if the **Insured** or their **Immediate Family Member** is or was a beneficiary or distributee of said estate or trust;
  2. an officer, director, trustee, partner or other member of a governing body of any entity other than the **Named Insured** and other than an accreditation or standards entity within the scope of Section IV., Definition Q., **Professional Services**, paragraph 5.; or
  3. a public official or employee of a governmental body, agency or subdivision thereof, unless such capacity is deemed as a matter of law to be a public official, employee or representative of such entity solely by virtue of an **Insured** rendering **Professional Services**.
- I.** 1. defects in title of which the **Insured** had knowledge as of the date of issuance of any title policy; or
2. breach of underwriting authority granted an **Insured** by a title insurance company or its delegate.
- J. Professional Services** performed prior to the **Prior Acts Date** shown in Item 6. of the Declarations.
- K.** negligent acts, errors or omissions or **Related Claims** which have been the subject of any notice given under any prior policy of which this policy is a renewal or replacement.
- L.** any facts or circumstances of which any **Insured** had knowledge as of the effective date of this policy and which could reasonably have been expected to give rise to a **Claim**.
- M. Professional Services** rendered by an **Insured** while the **Insured's** license to practice law was:
1. suspended;
  2. revoked;
  3. surrendered;
  4. lapsed; or
  5. otherwise not recognized as a bona fide license, in the state where such services were rendered.
- N.** any loss sustained by any **Insured** as a beneficiary or distributee of any estate or trust.
- O.** a notarized certification or acknowledgment of signature without an identity check and physical appearance before the **Insured** performing such notarization of the person whose signature was notarized or acknowledged.

## VI. GENERAL CONDITIONS

### A. Notice

#### 1. Notice of Claim

The **Insureds** shall, as a condition precedent to the obligations of the **Insurer** under this policy, give written notice of a **Claim** as soon as practicable, but in no event later than 60 days after the expiration of the **Policy Period**. In the event a **Claim** is made during the Extended Reporting Period, if applicable, the **Insureds** shall, as a condition precedent to the obligations of the **Insurer** under this policy, give written notice of such **Claim** as soon as practicable, but in no event later than the expiration of the Extended Reporting Period. Such written notice shall include:

- (a) all written correspondence between the claiming party and any **Insured**;
- (b) a written summary of the facts and circumstances of the allegation of the negligent act, error, omission, **Personal Injury or Advertising Liability**;
- (c) dates and details of the parties involved; and
- (d) possible **Damages**.

## 2. Notice of Potential Claim

If during the **Policy Period**, the **Insured** becomes aware of any facts or circumstances that may reasonably be expected to give rise to a **Claim**, and written notice is given to the **Insurer** as soon as practicable but in no event later than the last day of the **Policy Period** of:

- (a) such facts or circumstances, as well as the reasons for anticipating such a **Claim**;
- (b) specific information as to the expected negligent act, error, omission, **Personal Injury or Advertising Liability**;
- (c) dates and details of the parties involved; and
- (d) the possible Damages;

then any **Claim** or coverage under this policy arising out of such specific facts or circumstances that is subsequently made against the **Insureds** and reported to the **Insurer** shall be deemed first made during the **Policy Period** as of the date of such notice.

3. Notice of a **Claim** or potential **Claim** to the **Insurer** shall be given in writing to:

Attention: InsClaim Solutions, LLC  
10 South LaSalle Street, 18th Floor  
Chicago, IL 60603  
Email: claims@ins-claim.com

## B. Defense and Settlement

1. The **Insurer** shall have the right and the duty to defend any **Claim** regardless of whether the allegations are groundless, false, or fraudulent. In undertaking this right and duty, the **Insurer** expressly retains the right to select defense counsel even when the **Insurer** reserves its rights on issues concerning the applicability of coverage under this policy. The **Insureds** shall pay any **Defense Expenses** within the applicable Deductible shown in Item 4. of the Declarations. The **Insurer's** right and duty to defend any **Claim** and pay **Defense Expenses** shall terminate upon the exhaustion of the Limit of Liability, whereupon the **Insurer** shall have no further obligation or liability to defend the **Insured** or to pay **Defense Expenses**, judgments or settlements. The **Insurer** may make any investigation it deems necessary and may, with the **Insured's** consent, such consent not to be unreasonably withheld, make any settlement of any **Claim** it deems expedient. If the **Insured** withholds consent of such settlement, the **Insurer's** liability for all **Damages** on account of such **Claim** shall not exceed the amount for which the **Insurer** could have settled such **Claim**, inclusive of **Defense Expenses**, incurred as of the date such settlement was proposed to the **Insured**.
2. The **Insureds** and those acting on their behalf shall not admit liability, consent to any judgment, incur any **Defense Expenses** or agree to any settlement without the **Insurer's** written consent, such consent not to be unreasonably withheld. The **Insureds** agree that they shall not knowingly take any action that in any way increases **Damages** or **Defense Expenses** under this policy. Coverage afforded by this policy shall not apply to any **Damages** sustained as a result of any admission of liability or consent to any judgment or agreement to settle, without or prior to the **Insurer's** written consent.
3. The **Insureds** shall provide the **Insurer** with such information, assistance, and cooperation as the **Insurer** and its counsel may reasonably request with respect to the defense and settlement of any **Claim**.

## C. Action Against Insurer

1. No action shall be taken against the **Insurer** unless, as a condition precedent thereto, the **Insureds** shall have fully complied with all of the terms and conditions of this policy, nor until the amount of the **Insured's** obligation to pay **Damages** for any **Claim** shall have been fully and finally determined either by judgment against the **Insured** or by written agreement between the **Insureds**, the claimant, and the **Insurer**.
2. Nothing contained herein shall give any person or entity any right to join the **Insurer** as a party to any **Claim** against the **Insureds** to determine their liability. Nor shall the **Insurer** be impleaded by the **Insureds** or their legal representative in any **Claim**.

## D. Cancellation and Nonrenewal

1. The **Named Insured** may cancel this policy at any time prior to the expiration date of the **Policy Period** by providing prior written notice to the **Insurer** or by surrender of this policy to the **Insurer** or its authorized agent. If the **Named Insured** cancels this policy, the **Insurer** shall return 90% of the unearned portion of the premium.

2. The **Insurer** may only cancel this policy for nonpayment of premium or Deductible. This policy may be canceled by the **Insurer** by mailing or delivering to the **Named Insured**, at the address shown in Item 1. of the Declarations, written notice of cancellation at least 10 days before the effective date of cancellation. The mailing of such notice shall be sufficient proof of notice and the effective date of cancellation stated in such notice shall become the expiration date of the **Policy Period**. If the **Insurer** cancels this policy, the **Insurer** shall credit the **Named Insured** the pro rata unearned portion of the premium. Payment or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.
3. This policy may be nonrenewed by the **Insurer** by mailing or delivering to the **Named Insured**, at the address shown in Item 1. of the Declarations, written notice of nonrenewal at least 30 days prior to the expiration date of the **Policy Period**. The mailing of such notice shall be sufficient proof of notice.

## E. Changes in Exposures

1. If the number of attorneys employed by the **Named Insured** increases more than 25% from the amount of attorneys shown in the application attached to this policy at its inception date, the **Named Insured** shall give the **Insurer** notice of such hiring, merger or acquisition as soon as practicable, but in no event more than 30 days after the effective date of hiring, merger or acquisition. The **Insurer** shall then have the right to amend any terms of this policy. There shall be no coverage under this policy for any **Professional Services** after the date of hiring, merger or acquisition. This paragraph shall not be applicable if the original number of attorneys insured on the effective date of this policy was less than six attorneys.
2. If the **Named Insured** during the **Policy Period** merges or consolidates with another entity in a manner such that the **Named Insured** is not the surviving entity, coverage under this policy for **Professional Services** rendered, or which should have been rendered after the effective date of such transaction shall be excluded for the remainder of the **Policy Period**. Coverage shall then solely apply to **Professional Services** rendered, or which should have been rendered, between the **Prior Acts Date** shown in Item 6. of the Declarations and the effective date of the transaction whereby the **Named Insured** is not the surviving entity, subject to all the other terms, conditions and exclusions of this policy.

## F. Subrogation

In the event of any payment under this policy, the **Insurer** shall be subrogated to the extent of such payment to all **Insureds'** rights of recovery therefrom against any person or entity. The **Insureds** shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights to enable the **Insurer** to effectively bring suit in their name, and shall provide all other assistance and cooperation which the **Insurer** may reasonably require.

## G. Representations

In granting coverage to the **Insureds**, it is agreed that the **Insurer** has relied upon the representations and statements contained in the application for this policy (and all such previous applications submitted, or made part of any previous policy which this policy may succeed in time) including materials submitted therewith, as being accurate and complete. They shall be the basis of the contract and shall become part of such policy as if physically attached. Such representations and statements are deemed to be material to the risk assumed by the **Insurer**.

## H. Other Insurance

All **Damages** and **Defense Expenses** payable under this policy shall be in excess of and shall not contribute with other existing insurance including, but not limited to, any insurance under which there is a duty to defend, regardless of whether any **Damages** or **Defense Expenses** are collectible or recoverable under such other insurance, unless such other insurance is written specifically excess of this policy. This policy shall not be subject to the terms or conditions of any other insurance.

## I. Headings and Titles

The headings, sub-headings, and titles of this policy are for descriptive and reference purposes only. They are not to be deemed in any way to limit, modify, or affect the terms and conditions of this policy.

## J. Assignment of Interest

This policy and any and all rights hereunder are not assignable without the written consent of the **Insurer**.

## **K. Changes**

Notice to any agent 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 estop the **Insurer** from asserting any right under the terms and conditions of this policy. Nor shall any terms or conditions be waived or changed except by written endorsement issued to form a part of this policy.

## **L. Territory**

This policy applies to **Professional Services** taking place anywhere in the world provided that suit is brought and maintained against the **Insured** within:

1. the United States of America, its territories or possessions;
2. Puerto Rico; or
3. Canada.

## **M. Named Insured Sole Agent**

The **Named Insured** will be the sole agent and will be authorized to act on behalf of all **Insureds**

1. for the purpose of giving or receiving any notices, any amendments to or cancellation of this policy;
2. for the completing of any applications and the making of any statements, representations and warranties for the policy; and
3. for the payment of the Deductible and the exercising or declining to exercise any right under this policy, including the purchase of any Extended Reporting Period.

## **N. Liberalization**

If during the **Policy Period**, the **Insurer** adopts any provision that would broaden the coverage under this policy without an additional premium charge, the broadened coverage shall automatically apply to this policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

Named Insured:		Endorsement Number:
Policy Number: ALA-04-000982-01	Policy Period: to	Effective Date of Endorsement:
Insurer:		

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**DEDUCTIBLE DOES NOT APPLY TO DEFENSE EXPENSES**

In consideration of: (check one box only)

an additional premium of \$\_\_\_\_\_

the premium charged

it is agreed that:

1. The sentences appearing in Item 4. of the Declarations, Deductible, are deleted and replaced with the following:

This amount does not apply to **Defense Expenses**.

This amount applies to each **Claim**.

2. Section I. of the policy, Insuring Agreement, subsection A., Coverage, is deleted and replaced with the following:

**A. Coverage**

Subject to the Limit of Liability shown in Item 3. of the Declarations and as limited in Section II., the **Insurer** shall pay on behalf of the **Insured** all **Damages** in excess of the Deductible as shown in Item 4. of the Declarations and as limited in Section II., and all **Defense Expenses**, that the **Insured** becomes legally obligated to pay as a result of a **Claim** first made against the **Insured** and reported in writing to the **Insurer** during:

1. the **Policy Period**; or

2. during any applicable Extended Reporting Period,

by reason of a negligent act, error or omission in the performance of **Professional Services** by the **Insured** or by someone for whom the **Insured** is legally responsible, provided that such negligent act, error or omission began on or **after to the Prior Acts Date** shown in Item 6. of the Declarations.

3. Section II. of the policy, Limits of Liability and Deductible, subsection B., Deductible, is deleted and replaced with the following:

**B. Deductible**

The **Insurer** shall only be liable for amounts payable under this policy for **Damages** which are in excess of the Deductible amount shown in Item 4. of the Declarations. This Deductible amount shall:

1. apply separately to each and every **Claim**;

2. be borne by the **Insured**; and

3. remain uninsured.

The Deductible amount applies to the payment of **Damages** only and shall not apply to **Defense Expenses**. If the **Insurer** advances any amounts within the Deductible, the **Named Insured** shall reimburse the **Insurer** within 30 days of the **Insurer's** request to do so. In the event of **Related Claims**, a single Deductible amount will apply.

4. Section VI. of the policy, General Condition B., Defense and Settlement, paragraph 1., is deleted and replaced with the following:

1. The **Insurer** shall have the right and the duty to defend any **Claim** regardless of whether the allegations are groundless, false, or fraudulent. In undertaking this right and duty, the **Insurer** expressly retains the right to select defense counsel even when the **Insurer** reserves its rights on issues concerning the applicability of coverage under this policy. The **Insurer's** right and duty to defend any **Claim** and pay **Defense Expenses** shall terminate upon the exhaustion of the Limit of Liability, whereupon the **Insurer** shall have no further obligation or liability to defend the **Insured** or to pay **Defense Expenses**, judgments or settlements. The **Insurer** may make any investigation

it deems necessary and may, with the **Insured's** consent, such consent not to be unreasonably withheld, make any settlement of any **Claim** it deems expedient. If the **Insured** withholds consent of such settlement, the **Insurer's** liability for all **Damages** on account of such **Claim** shall not exceed the amount for which the **Insurer** could have settled such **Claim**, inclusive of **Defense Expenses**, incurred as of the date such settlement was proposed to the **Insured**.

All other terms, conditions and limitations of the policy remain unaltered.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

Named Insured:		Endorsement Number:
Policy Number: ALA-04-000982-01	Policy Period: to	Effective Date of Endorsement:
Insurer:		

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**SECURITY INCIDENT AND IDENTIFICATION THEFT EXTENSION ENDORSEMENT**

In consideration of the premium charged, it is agreed that Section III., Extensions of Coverage, is amended by addition of the following:

• **Security Incident Extension**

The **Insurer** will reimburse the **Named Insured**, for each **Security Incident** first occurring and reported in writing to the **Insurer** during the **Policy Period**, for expenses incurred to:

1. hire cyber forensic analysts to determine the extent of an actual security breach that has occurred; or
2. provide notification and credit monitoring services to individuals when the security, confidentiality, or integrity of their personal information has been compromised, as required by state or local privacy laws; up to a maximum reimbursable amount of \$25,000. This is the maximum amount the **Insurer** will reimburse, regardless of the number of:
  - (a) such **Security Incidents**; or
  - (b) the number of **Insureds** involved in such **Security Incidents**,

for all **Security Incidents** reported to the **Insurer** during the **Policy Period**. Any payments made regarding such **Security Incidents** will be in addition to the Limit of Liability and are not subject to the Deductible.

Any notice the **Insured** gives the **Insurer** of such **Security Incident** pursuant to Section VI., General Condition A.2., shall be deemed notification of a potential **Claim**.

**Security Incident** means the unauthorized access, destruction, use, modification or disclosure of confidential or proprietary data or of personally identifiable information or data containing private or confidential information in connection with the performance of **Professional Services**.

All other terms, conditions and limitations of the policy remain unaltered.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

Named Insured:		Endorsement Number:
Policy Number: ALA-04-000982-01	Policy Period: to	Effective Date of Endorsement:
Insurer:		

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**WASHINGTON AMENDATORY ENDORSEMENT**

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

1. Section II., Limits of Liability and Deductible, subsection A., Limits of Liability, paragraph 6., is deleted and replaced with the following.
  6. If the **Insurer** has exhausted the applicable Limit of Liability by payment of **Damages** or **Defense Expenses** or by tender of the remaining Limit of Liability into court, its duty to defend shall continue until a judgment or settlement is reached with the injured party or the permission of the **Insured** is obtained.
2. Section VI., General Condition D., Cancellation and Nonrenewal, is deleted and replaced with the following:

**D. Cancellation and Nonrenewal/Renewal**

**1. Cancellation**

- (a) The **Named Insured** may cancel this policy at any time prior to the expiration date of the **Policy Period** by providing prior written notice by mail, fax or e-mail to the **Insurer** or producer or by surrender of this policy to the **Insurer** or producer. If the **Insurer** receives notice of cancellation from the **Named Insured**, it shall accept and promptly cancel the policy effective the later of: (i) the date notice is received; or (ii) the date the **Named Insured** requests cancellation. If the **Named Insured** cancels this policy, the **Insurer** shall return 90% of the unearned portion of the premium.

The **Named Insured** may also provide verbal notice before the effective date of cancellation to the **Insurer** or producer. If the **Named Insured** provides verbal notice, the **Insurer** may require the **Named Insured** to provide written confirmation of cancellation, but may not impose a waiting period for cancellation by requiring such written confirmation.

- (b) The **Insurer** may only cancel this policy for nonpayment of premium or Deductible. This policy may be canceled by the **Insurer** by mailing or delivering to the **Named Insured**, written notice of cancellation at least:

- (1) 10 days before the effective date of cancellation if the **Insurer** cancels for nonpayment of premium; or
- (2) 45 days before the effective date of cancellation if the **Insurer** cancels for nonpayment of Deductible.

Such notice shall include the **Insurer's** actual reason for canceling the policy and the effective date of cancellation stated in such notice shall become the expiration date of the **Policy Period**. The mailing of such notice shall be effected by depositing it in a sealed envelope, directed to the **Named Insured** at its last known address as known to the **Insurer** or as shown by the **Insurer's** records, with proper prepaid postage affixed, in a letter depository of the U.S. Post Office. The **Insurer** shall retain in its records any such item so mailed, together with its envelope, which was returned by the post office upon failure to find, or deliver the mailing to, the addressee. If the **Insurer** cancels this policy, the **Insurer** shall credit the **Named Insured** the pro rata unearned portion of the premium. Payment or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

Like notice shall also be delivered or mailed to any other person shown by the policy to have an interest in any loss which may occur thereunder. For purposes of this paragraph, "delivered" includes electronic transmittal, facsimile, or personal delivery.

## 2. Nonrenewal/Renewal

This policy may be nonrenewed by the **Insurer** by mailing or delivering to the **Named Insured**, at the address shown in Item 1. of the Declarations, written notice of nonrenewal at least 45 days prior to the expiration date of the **Policy Period**. Such notice shall include the **Insurer's** actual reason for refusing to renew the policy.

Otherwise, the **Insurer** shall renew this policy unless:

- (a) at least 20 days prior to the expiration date, the **Insurer** has communicated, either directly or through its agent, its willingness to renew in writing to the **Named Insured** and has included in that writing a statement of the amount of the premium or portion thereof required to be paid by the **Named Insured** to renew the policy, and the **Named Insured** fails to discharge when due its obligation in connection with the payment of such premium or portion thereof; or
- (b) the **Named Insured** has procured equivalent coverage prior to the expiration of the **Policy Period**.

If the **Insurer** fails to include in the notice the amount of any increased premium resulting from a change of rates and an explanation of any change in the policy provisions, the **Insurer** shall renew the policy according to the rates and policy provisions applicable to the expiring policy. However, renewal based on the rates and contract provisions applicable to the expiring policy shall not prevent the **Insurer** from making changes in the rates and/or policy provisions once during the term of its renewal after at least 20 days advance notice of such change has been given to the **Named Insured**.

Proof of mailing of notice of cancellation or refusal to renew or of reasons for cancellation, to the **Named Insured**, at the latest address filed with the **Insurer** by or on behalf of the **Named Insured** shall be sufficient proof of notice.

Whenever a notice of cancellation or nonrenewal or an offer to renew is furnished to the **Named Insured**, a copy of such notice or offer shall be provided within five working days to the insurance producer on the account. When possible, the copy to the insurance producer may be provided electronically.

## 3. Section VI., General Condition B., Defense and Settlement, paragraph 1., is deleted and replaced with the following:

1. The **Insurer** shall have the right and the duty to defend any **Claim** regardless of whether the allegations are groundless, false, or fraudulent. In undertaking this right and duty, the **Insurer** expressly retains the right to select defense counsel even when the **Insurer** reserves its rights on issues concerning the applicability of coverage under this policy. The **Insureds** shall pay any **Defense Expenses** within the applicable Deductible shown in Item 4. of the Declarations. Upon exhaustion of the Limit of Liability, the **Insurer** shall have no further obligation to pay **Defense Expenses**, judgments or settlements. The **Insurer** may make any investigation it deems necessary and may, with the **Insured's** consent, such consent not to be unreasonably withheld, make any settlement of any **Claim** it deems expedient. If the **Insured** withholds consent of such settlement, the **Insurer's** liability for all **Damages** on account of such **Claim** shall not exceed the amount for which the **Insurer** could have settled such **Claim**, inclusive of **Defense Expenses**, incurred as of the date such settlement was proposed to the **Insured**.

All other terms, conditions and limitations of the policy remain unaltered.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

Named Insured:		Endorsement Number:
Policy Number: ALA-04-000982-01	Policy Period: to	Effective Date of Endorsement:
Insurer:		

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**EXCLUSION O AMENDATORY ENDORSEMENT**

In consideration of the premium charged, it is agreed that Section V., Exclusion O., is deleted and replaced with the following:

- O.** a notarized certification or acknowledgment of signature without an identity check and physical appearance before the **Insured** performing such notarization of the person whose signature was notarized or acknowledged; however, this exclusion shall not apply if notarized certification or acknowledgement of signature without a physical appearance is allowed by statute, regulation, rule, order or state mandate that applies where such notarization is performed and such notarized certification or acknowledgement of signature is in accordance with the state specified conditions and requirements where such notarization is performed.

All other terms, conditions and limitations of the policy remain unaltered.

## **U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS**

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No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC.

Other limitations on the premiums and payments also apply.