ADDITIONAL INCLUDED BENEFITS

In addition to the benefits described in your policy every Named Insured automatically qualifies for additional included benefits designed to minimize your professional liability exposure by helping you manage your firm. These additional included benefits are:

- Unlimited use of CAMICO’s three hotlines, providing immediate access to professional assistance and advice. This service includes the Loss Prevention hotline, providing CPAs and other professionals that can assist you with practice and firm management issues, the Claims hotline, providing claim professionals that can assist you with legal liability concerns before they become a claim and the Tax hotline, providing CPAs and attorneys to assist you with some federal tax issues.
- Unlimited use of CAMICO’s subpoena services, providing assistance with the receipt of and compliance with most types of subpoena and deposition notices even when there is no Claim. CAMICO will evaluate the need for additional assistance and, where appropriate, attorneys may be provided to assist you at no cost. Subpoena services are accessed through the Claims hotline.
- Unlimited access to all of CAMICO’s risk management tools and documents through the Members Only section of CAMICO.com.
- Full participation in all of CAMICO’s CPE events, including seminars, conferences, in-firm training and web-based training. (Some CPE programs may be limited by geography or firm characteristics.)
- Full participation in CAMICO’s dividend program. The timing, amount and method of allocating dividends amongst Insureds are determined by and at the discretion of the Board of Directors.
- The Named Insured has the right to Extended Reporting Coverage for a period of up to three years as more fully described in Article V. of the policy. The Named Insured may request Extended Reporting Coverage for a longer period of time. CAMICO, at its option, may agree to offer such coverage.
- No cost unlimited Extended Reporting Coverage is available for qualified sole practitioner and two-professional firms due to Death, Disability or Retirement. See Article V. of the policy.

CAMICO urges you to take advantage of these additional included benefits so that, together, we can reduce the cost of claims and increase the effectiveness of your firm.
NOTICE

This insurance policy is a “claims made and reported” policy. This insurance applies only to Claims that are first made and reported to the Company during the Policy Period, or that are first made and reported to the Company during an Extended Reporting Coverage period, if purchased.

This policy does not cover prior acts unless specifically included. The Company will not indemnify or defend Claims arising from acts, errors or omissions which occurred prior to the policy’s Retroactive Date.

This policy includes Claim Expenses and the Insured’s Deductible within the Limits of Liability. The payment of Claim Expenses reduces the Limits of Liability available to pay Damages unless prohibited by applicable state law or amended by endorsement.

This policy contains additional restrictions on coverage. Please review this policy carefully, including the Declarations and all endorsements.
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ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY

In consideration of the Named Insured’s payment of premium and Deductible(s), and in reliance upon the Named Insured’s statements made in the original application and all renewal or supplemental applications, all of which are incorporated into this policy by this reference, CAMICO Mutual Insurance Company (“the Company”) agrees with the Named Insured as follows:

I. INSURING AGREEMENTS

A. Coverage for Damages and Reporting Requirements

1. The Company will pay those sums that an Insured becomes legally obligated to pay as Damages because of a Claim arising out of an Insured’s negligent act, error or omission in rendering or failing to render Professional Services performed after the Retroactive Date and before the end of the Policy Period, provided that:

   (a) the Claim was first made against the Insured and reported to the Company during the same Policy Period; and
   
   (b) the Claim does not arise from circumstances which, prior to the effective date of the Policy Period, any Insured might reasonably expect would be the basis for a Claim; and
   
   (c) the Claim was not reported to any professional liability insurer, including the Company, prior to the effective date of the Policy Period identified in the policy’s Declarations.

   An act, error or omission which is continuing in nature shall be deemed to have occurred only on the date on which that act, error or omission began and not on any subsequent date. Multiple Acts, Errors or Omissions shall be deemed to have occurred only on the date that the earliest of those acts, errors or omissions began and not on any subsequent date. A Claim is deemed made and reported to the Company on the date the first of the Multiple Acts, Errors or Omissions forming the Claim is reported to the Company.

2. If an Insured first becomes aware of a Potential Claim during the Policy Period and provides the Company with written notice as described in section VI. POLICY CONDITIONS, A. Insured’s Duties Upon Notice of Claim or Potential Claim, paragraph 1., then any Claim that may be made later against an Insured arising from those acts, errors or omissions will be deemed reported to the Company on the date the Company received the written notice of the Potential Claim.

3. If any Insured becomes aware of a Claim during the Policy Period and reports that Claim to the Company within thirty (30) days of the date of expiration of that Policy Period, that Claim shall be deemed reported to the Company on the last day of that Policy Period.

B. Defense and Settlement of Claims

1. The Company has the right and duty to defend and settle Claims alleging Damages potentially covered by this Policy, even if the Claim is groundless, false or fraudulent. The Company has the right to appoint counsel to defend a Claim, and the right to investigate and negotiate settlement of any Claim.

2. The Company will not settle any Claim without the Named Insured’s written consent. If the Named Insured withholds its consent to any settlement recommended by the Company and elects to contest a Claim or continue the legal proceedings, then the Company’s liability for that Claim will not exceed: (1) the
amount of the recommended settlement plus Claim Expenses incurred up to the date the Named Insured withheld its consent, or (2) the remaining Limit of Liability, whichever is less.

3. The Company will cease defending and/or paying Claim Expenses when the applicable Limit of Liability has been exhausted by payment of Damages or Claim Expenses.

C. Limits of Liability, Sub-Limits and Deductibles

1. Limit of Liability – Per Claim and Sub-Limits

The maximum amount payable by the Company for Damages and Claim Expenses for each covered Claim is the Per Claim Limit of Liability stated in the Declarations, less the Per Claim Deductible, subject to the following sub-limits:

(a) The maximum amount payable by the Company for Damages and Claim Expenses for each covered Claim arising from, related to or in connection with any Tax Shelter Investment shall be $100,000 in excess of the Per Claim Deductible.

(b) The maximum amount payable by the Company for Damages and Claim Expenses for each covered Claim arising from, related to or in connection with any Insured’s misappropriation, misuse, theft or embezzlement of funds shall be $100,000 in excess of the Per Claim Deductible.

A single Per Claim Limit of Liability applies to a Claim arising from Multiple Acts, Errors or Omissions, regardless of the number of claimants, lawsuits, or Insureds involved.

2. Limit of Liability – Policy Aggregate and Aggregate Sub-Limits

The maximum amount payable by the Company for Damages and Claim Expenses for all covered Claims made and reported during the Policy Period is the Policy Aggregate Limit of Liability stated in the Declarations, less the Policy Aggregate Deductible, subject to the following Aggregate sub-limits:

(a) The maximum amount payable by the Company for Damages and Claim Expenses for all covered Claims made and reported during the Policy Period arising from, related to or in connection with Tax Shelter Investments shall be $100,000 in excess of the Per Claim Deductible.

(b) The maximum amount payable by the Company for Damages and Claim Expenses for all covered Claims made and reported during the Policy Period arising from, related to or in connection with misappropriations, misuses, thefts or embezzlements of funds by Insureds shall be $100,000 in excess of the Per Claim Deductible.

3. Deductible – Per Claim

The Named Insured shall pay the Per Claim Deductible, in the amount stated on the Declarations, for Claim Expenses and Damages resulting from each Claim. The Named Insured is responsible for reimbursing the Company for the Deductible.

4. Deductible – Policy Aggregate

When the Named Insured has purchased an Aggregate Deductible, the maximum amount of Deductible(s) payable by the Named Insured with respect to all covered Claims first made against an Insured
and reported to the Company during the Policy Period is the amount of the Policy Aggregate Deductible stated in the Declarations.

5. Expenses for Potential Claims

Any expenses incurred by the Company on behalf of an Insured prior to a Claim being made are not chargeable against the Per Claim Deductible or against the applicable Limit of Liability.

6. Reimbursement of the Company

If the Company pays any Claim Expenses or Damages within the Per Claim Deductible or Aggregate Deductible or in excess of the applicable Limit of Liability, the Named Insured shall reimburse the Company these amounts within thirty (30) days of the Company’s request. All Insureds are jointly and severally liable for reimbursement of these amounts to the Company.

D. Supplementary Policy Benefits

1. Regulatory and/or Disciplinary Proceedings

The Company will defend an Insured at regulatory proceedings and/or at disciplinary hearings before any entity responsible for regulating the practice of accountancy. The maximum amount payable by the Company pursuant to this paragraph for all attorney fees and costs incurred pursuant to this paragraph is $5,000 per Policy Period. Amounts paid on behalf of an Insured pursuant to this paragraph are not chargeable against the Deductible or the Limits of Liability.

The Company will not indemnify any Insured for any monetary assessment or penalty that may be levied against any Insured as a result of any regulatory proceedings and/or disciplinary hearings.

2. Deductible Reduction

The Company will reduce the Named Insured’s applicable Per Claim Deductible by fifty percent (50%), up to a maximum of $50,000, under the following circumstances: (a) when any Insured reports a Potential Claim to the Company prior to the Claim being made against the Insured; or (b) when the Named Insured uses formal mediation to seek a resolution of a Claim.

However, no reduction in the Per Claim Deductible will be available for either: (a) any Claim arising from, related to or in connection with any Tax Shelter Investment, or (b) any Claim arising from, related to or in connection with any Insured’s misappropriation, misuse, theft or embezzlement of funds.

3. Per Diem Reimbursement

The Company will pay $300 per day to the Named Insured, up to a maximum payment of $6,000 per Claim, to compensate an Insured for attendance at mediation, arbitration or trial proceedings at the Company’s request.

E. Policy Territory

This insurance applies to Claims made anywhere in the world.

II. WHO IS AN INSURED

Each of the following Persons is an Insured, but only while performing Professional Services for the benefit of the Named Insured or a Predecessor Firm on or after the Retroactive Date:
(a) The Named Insured identified in the Declarations or in an endorsement.

(b) A current or former owner, partner, shareholder or employee of a Named Insured.

(c) Any Person who, during the Policy Period, becomes an owner, partner, shareholder or employee of a Named Insured.

(d) Temporary staff or a contract employee of a Named Insured, but only for Professional Services performed on behalf of and under the direct supervision of a Named Insured.

(e) A Predecessor Firm.

(f) A Person acquired by or merged with a Named Insured during the Policy Period, but only for Professional Services provided after the acquisition or merger.

(g) The legal representative of an Insured, but only to the extent of that Insured’s rights and duties under this policy.

III. EXCLUSIONS

This policy does not apply to:

(a) Intentional Misconduct: Any Claim based on or arising out of a dishonest, fraudulent, malicious or criminal act, error or omission of any Insured. The Company will defend but not indemnify an Insured with respect to: (i) any Claim alleging an Insured participated in, aided or abetted in a civil conspiracy, and (ii) any Claim alleging an Insured has violated any state or federal statutes prohibiting financial elder abuse.

(b) Bodily Injury/Property Damage: Any Claim based on or arising from Bodily Injury or Property Damage, but this exclusion shall not apply to any Claim seeking Damages for humiliation or emotional distress based upon allegations of Defamation.

(c) Claims By An Insured: Any Claim made by an Insured or a Related Individual against an Insured.

(d) Insured Acting In Another Capacity: Any Claim in connection with or arising out of the services of any Person who is an Insured acting as an employee, officer or director of any company, business, entity or charitable organization other than the Named Insured.

(e) Employment Practices Liability: Any Claim in connection with or arising out of any Insured’s employment obligations, decisions, practices or policies as an employer, including, but not limited to, acts of discrimination, humiliation or harassment and/or acts in violation of the Americans with Disabilities Act.

(f) Other Business Entities: Any Claim, whether or not related to Professional Services, made by, in the right of, against, in connection with or arising out of any entity not named in the Declarations in which:

1. any Person who is an Insured (or an Affiliate or Related Individual of that Person) is or was at any time managing, controlling or operating the entity; or

2. the aggregate ownership of all Persons who are Insureds (including Affiliates and Related Individuals of such Persons) at any one time was or is more than twenty percent (20%).

(g) Claims Seeking Return of Insured’s Fees: That part of any Claim seeking the return of or reimbursement of fees for Professional Services.
(h) **Punitive or Exemplary Damages:** Indemnity of any punitive or exemplary damages, fines, sanctions, penalties or multiplied damages (whether doubled, trebled or otherwise), unless required by law.

(i) **Claims Following Insured’s Suit For Fees:** Any Claim made by any Person or entity after an Insured has sued such Person or (Affiliate of such Person) to obtain payment of fees for Professional Services, unless that Insured has consulted with the Company prior to filing the suit. If the Insured fails to consult with the Company prior to filing the suit, then the Named Insured agrees to pay fifty percent (50%) of the first $50,000 in Claim Expenses and/or Damages incurred with respect to such Claim. This fifty percent (50%) co-pay obligation: (1) is separate from and in addition to the Named Insured’s obligation to pay the applicable Deductible pursuant to section I. INSURING AGREEMENTS, C. Limits of Liability, Sub-Limits and Deductibles, and/or (2) precedes and is separate from the terms of any endorsement modifying provisions regarding payment of Claim Expenses from within the applicable Limits of Liability and from the terms of any endorsement providing a Separate Defense Limit. This exclusion does not eliminate coverage for, and the fifty percent (50%) co-pay obligation is not triggered by, any Claim made after an Insured’s use of arbitration to resolve a fee dispute with the Person making the Claim.

(j) **Products Liability:** Any Claim in connection with or arising out of the use of, or existence of any condition in or a warranty of, products sold or distributed by an Insured.

IV. **DEFINITIONS**

Wherever used in this policy, the words or phrases in *italics* have special meanings:

(a) An Affiliate of a specified Person means a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person specified.

(b) Bodily Injury means bodily injury, sickness, disease, mental illness, emotional distress or humiliation sustained by a natural person, including death resulting from any of these at any time.

(c) A Claim means a demand received by any Insured for money or services, and includes the service of suit(s), a request that an Insured agree to waive a legal right or sign an agreement to toll a statute of limitations, or a demand for arbitration. A Claim also includes two or more Claims arising out of or resulting from a single act, error or omission in rendering Professional Services, or from Multiple Acts, Errors or Omissions in rendering Professional Services, whether such demands are made: (1) against one or more Insureds, (2) by one or more Persons, or (3) during one or more Policy Periods.

(d) Claim Expenses are the fees charged by an attorney designated by the Company to defend any Insured, and all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a Claim, if incurred by the Company or by an Insured at the Company’s request. Claim Expenses do not include: (1) salaries of the Company’s employees or independent adjusters, or (2) any fees, costs or expenses incurred by an Insured without the Company’s consent.

(e) Damages means a monetary judgment or award, or sums paid in settlement, but does not include: (1) any fine, sanction, penalty, punitive or exemplary damages, or multiplied damages (whether doubled, trebled or otherwise); (2) reimbursement of any Insured’s fees for Professional Services; or (3) Claim Expenses.

(f) Defamation means the publication or utterance of a libel or slander or other defamatory or disparaging material or a publication or utterance in violation of an individual’s right of privacy.

(g) Extended Reporting Coverage is an optional coverage offered by the Company under the terms and conditions stated in section V. INSURED’S RIGHT TO EXTENDED REPORTING COVERAGE of this policy.
and the Extended Reporting Coverage endorsement issued by the Company. Extended Reporting Coverage provides a period of time after the end of the Policy Period for reporting a Claim arising out of any negligent acts, errors or omissions occurring prior to the end of the Policy Period and otherwise covered by this policy.

(h) An Insured means the Named Insured and any Person who qualifies as an Insured under section II. WHO IS AN INSURED.

(i) Multiple Acts, Errors or Omissions means all acts, errors or omissions in rendering Professional Services that are logically or causally connected by any common fact(s), circumstances, situation, transaction(s), event(s), advice or decision(s).

(j) The Named Insured is the Person identified on the Declarations attached to this policy.

(k) A Person means any natural person or legal entity.

(l) The Policy Period is the period of time which begins on the effective date stated on the Declarations and ends on the renewal, termination, expiration or cancellation of this policy, and specifically excludes any Extended Reporting Coverage.

(m) A Potential Claim is an event or circumstances that any Insured might reasonably expect would be the basis for a Claim.

(n) Predecessor Firm is: (i) any firm, some or all of whose partners or shareholders have joined the Named Insured, provided such partners or shareholders produced over fifty percent (50%) of the prior firm’s annual gross billings and such billings have been assigned to the Named Insured, or (ii) any sole proprietor who joined the Named Insured and who has assigned over fifty percent (50%) of the billings from the former sole proprietorship to the Named Insured.

(o) Professional Services are any professional services performed by an Insured as long as the fees or commissions, if any, or other benefits from such services inure to the benefit of the Named Insured. Professional Services also includes any Insured’s services as a member of a formal accreditation, standards review, or other similar professional board or committee that is related to the accounting profession, including services ordinarily performed or advice given in connection with programs sponsored by the American Institute of Certified Public Accountants or any state society of Certified Public Accountants.

(p) Property Damage means physical injury to, conversion of, or destruction of tangible property, including the loss of use of tangible property.

(q) Related Individual means the spouse, children, siblings, parents and/or grandparents of any Insured, and any trust or estate of which any of them or any Insured is a beneficiary.

(r) The Retroactive Date, stated in the Declarations, is the earliest date from which this policy provides coverage for Professional Services.

(s) Tax Shelter Investment means:

1. (i) a Treasury Regulation §1.6011-4(b)(2) “reportable transaction”; OR

(ii) any investment or other arrangement where (a) the investment or other arrangement actually generates or (b) representations made as part of the investment or other arrangement’s written sale offering indicate that the investment or arrangement will generate taxable income exclusions, tax deductions, or tax credits exceeding the
investment or other arrangement’s required capital contribution by at least two to one (2:1); OR

(iii) any other investment, plan or arrangement having tax avoidance or evasion as its primary purpose. An investment, plan or arrangement will have a primary tax avoidance or evasion purpose when that purpose exceeds any other purpose of the investment, plan or arrangement;

AND

2. Any Insured receives or expects to receive any compensation or other payment, whether or not related to Professional Services rendered, which is a commission, profit-sharing, participation, payment in securities, success fee, or similar kind of payment dependent upon the completion or success of the transaction.

V. INSURED’S RIGHT TO EXTENDED REPORTING COVERAGE

A. Extended Reporting Coverage

The Named Insured may purchase Extended Reporting Coverage, as described below, because of any of the following Events:

1. A Named Insured who is a sole proprietor becomes Retired or Permanently Disabled, or a two-professional firm’s business is Discontinued because one of the professionals becomes Retired or Permanently Disabled;

2. A Named Insured who is a sole proprietor dies, or a two-professional firm’s business is Discontinued because one of the professionals dies; or

3. The Named Insured cancels or non-renews this policy or the Company cancels or non-renews this policy for any reason other than non-payment of premium, and there are no amounts owed by the Named Insured to the Company, including sums due for premium or Deductibles.

The Company will determine the premium for Extended Reporting Coverage upon receipt of the Named Insured’s request. The Limits of Liability for the Extended Reporting Coverage are separate from and shall not exceed the Limits of Liability of the last policy in effect.

B. Retirement, Permanent Disability, or Death – Unlimited Period

1. If a firm is Discontinued for reasons described in section V.A.1. or V.A.2., above, then within thirty (30) days of such discontinuation the Named Insured or the deceased Insured’s estate has the right to purchase unlimited Extended Reporting Coverage for Claims first made against the Named Insured and reported to the Company after the end of the Policy Period arising out of any negligent act, error or omission occurring prior to the end of the Policy Period and otherwise covered by this policy.

2. Extended Reporting Coverage under this section V.B. is not available if the right to Extended Reporting Coverage is available and is purchased by the Named Insured under section V.C., below.

C. Non-Renewal or Cancellation – Three-Year Period

1. If this policy is cancelled or non-renewed by the Named Insured or by the Company for any reason described in section V.A. above, within thirty (30) days the Named Insured has the right to purchase Extended Reporting Coverage for a three-year period for Claims first made against an Insured and reported to
the Company after the end of the cancelled or non-renewed *Policy Period* arising out of any negligent act, error or omission occurring prior to the end of the *Policy Period* and otherwise covered by this policy.

2. Extended Reporting Coverage under this section V.C. is not available if the right to Extended Reporting Coverage is available and is purchased by the *Named Insured* under section V.B., above.

D. Right of Qualifying Partner to Purchase Extended Reporting Coverage

If the *Named Insured* fails, or has no right, to purchase Extended Reporting Coverage, any *Qualifying Partner* may purchase Extended Reporting Coverage providing coverage solely to the *Qualifying Partner*. The *Named Insured* is responsible for notifying any *Qualifying Partner(s)* of any change in the *Named Insured's* coverage.

E. Additional Definitions Applicable to This Section

1. “*Retired*” means the *Insured*: (a) has reached age 55, and (b) has completely ceased providing *Professional Services*.

2. “*Permanently Disabled*” means the *Insured* is medically judged to be totally and permanently unable to provide *Professional Services*, and has sold or discontinued his/her certified public accounting practice as a result of the disability. Proof of such disability must be provided upon the Company’s request.

3. The business of a two-professional firm is “*Discontinued*” when: (a) both professionals are *Retired*, are *Permanently Disabled* or have died, or (b) one professional has *Retired*, has become *Permanently Disabled* or has died, and the other professional has sold the firm’s business to an unrelated party.

4. A “*Qualifying Partner*” is a former partner or shareholder, or his/her legally appointed representative, who was not a partner or shareholder of the *Named Insured* on the date the right to purchase Extended Reporting Coverage lapsed or on the date unpaid premiums or other amounts became due to the Company from the *Named Insured*.

VI. POLICY CONDITIONS

A. Insured’s Duties Upon Notice of Claim or Potential Claim

As a condition precedent to coverage, an *Insured* must:

1. Promptly notify the Company or its authorized representative of any *Claim* or *Potential Claim*, and include the following information, if available:

   (a) The name and address of the claimant or potential claimant, and all other involved individuals;

   (b) A description of the *Professional Services* provided, or that should have been provided, and the *Damages* that may result;

   (c) The *Insured’s* explanation of why the *Claim* was made or why the *Potential Claim* may become a *Claim*.

2. Upon receipt of a *Claim*: (i) immediately send to the Company copies of any demands, notices, summonses or legal papers received in connection with the *Claim*; (ii) authorize the Company to obtain records and other information; and (iii) cooperate with the Company in the investigation, defense, and settlement of the *Claim*.
3. Upon request, assist the Company in enforcing any right against any Person that may be liable to an Insured because of Damages to which this insurance applies.

4. Refuse, except at the Named Insured’s own cost, to admit any liability, assume any Damages, voluntarily make any payments, or incur any Claim Expenses without the prior written consent of the Company.

5. Upon request, provide information relevant to any Claim, and submit to examination(s) by the Company’s representative, under oath if requested, regarding any information relevant to any Claim.

B. Innocent Insured

1. If coverage for a Claim would be void, excluded, suspended or lost as a result of any Insured’s acts, errors or omissions excluded from coverage by section III. EXCLUSIONS, (a) Intentional Misconduct, then this policy’s coverage will continue to apply to any innocent Insured who did not personally commit, participate, or acquiesce or remain passive after having acquired personal knowledge of such acts, errors or omissions, provided that upon acquiring personal knowledge, the innocent Insured promptly gives notice to the Company in accordance with section I. INSURING AGREEMENTS, A. Coverage for Damages and Reporting Requirements, and section VI. POLICY CONDITIONS, A. Insured’s Duties Upon Notice of Claim or Potential Claim.

2. If any coverage for a Claim would be void, excluded, suspended or lost by as a result of any Insured’s failure to comply with the reporting requirements of section I. INSURING AGREEMENTS, A. Coverage for Damages and Reporting Requirements, and section VI. POLICY CONDITIONS, A. Insured’s Duties Upon Notice of Claim or Potential Claim, then this policy’s coverage will continue to apply to any innocent Insured who did not fail to comply with the reporting requirements of this policy, provided that:

   (a) the innocent Insured promptly gives notice to the Company in accordance with the provisions of section I. INSURING AGREEMENTS, A. Coverage for Damages and Reporting Requirements, and section VI. POLICY CONDITIONS, A. Insured’s Duties Upon Notice of Claim or Potential Claim, and

   (b) the Named Insured is continuously insured by the Company through the date upon which notice is received by the Company.

3. These provisions do not extend coverage to any Insured when coverage is void, excluded, suspended or lost because of any other Insured’s non-compliance with disclosure of information required on any policy application or policy renewal application.

C. Transfer and Assignment of Insured’s Rights and Duties

1. No Insured may transfer or assign any Insured’s rights or interest in, or duties under, this policy without the Company’s written consent.

2. If the Company makes any payment for Damages and/or Claim Expenses, it shall be subrogated to all of the Insured’s rights of recovery against anyone, and the Insured shall do whatever is necessary to secure such rights. After becoming aware of a Claim or a Potential Claim, no Insured shall do anything to prejudice the Company’s subrogation rights.

3. Any monetary recoveries will be distributed between the Named Insured and the Company in proportion to the amounts paid by the Named Insured within the Deductible – Per Claim and by the Company within the Limits of Liability.
D. Legal Action Against the Company

1. No Insured shall seek to join the Company as a party to a suit that seeks Damages from an Insured or sue the Company unless: (a) all of the terms and conditions of this policy have been met, and (b) the amount of the Insured’s obligation to pay Damages has been finally determined either by judgment against the Insured after an actual contested trial or by written agreement of the Insured and the claimant with the prior written consent of the Company.

2. If an Insured and the Company dispute whether this policy provides coverage for a Claim, all Insureds agree that the parties will meet with a qualified mediator in a good faith effort to negotiate a resolution of the dispute prior to the initiation of any legal proceeding. The mediation will continue until the dispute is resolved, or until the mediator notifies the parties that it is unlikely that the dispute will be resolved through mediation, or until any party elects to end the mediation after a minimum of thirty (30) days after the first mediation session.

E. Other Insurance

This insurance shall be excess over any other valid insurance available to any Insured, whether such insurance is stated to be primary, contributory, excess, contingent or otherwise. However, this condition does not apply if the other insurance was purchased specifically to apply in excess of this insurance and identifies this policy as primary insurance.

F. Cancellation or Non-Renewal

1. The Company may cancel this policy for any reason consistent with state law, as described in the State Endorsement issued with this policy.

2. The Named Insured may cancel this policy by written notice to the Company accompanied by surrender of the policy to the Company or any of the Company’s authorized agents, or by mailing written notice to the Company at the location stated in an endorsement issued with this policy. The written notice must state the date on which the Named Insured requests cancellation to become effective. The mailing of notice by the Named Insured shall be sufficient proof of notice. The time of surrender shall become the end of the Policy Period. Delivery (where permitted by law) of such written notice by the Named Insured shall be equivalent to mailing.

G. Change in Risk

The Company has the right to assess and charge an additional premium if, in the reasonable judgment of the Company, there is a significant increase in the size or other risk characteristics of the Named Insured.

H. Bankruptcy

The bankruptcy or insolvency of the Named Insured will not relieve the Company or any Insured of any obligations under this policy.

I. Mutual Policy Provisions: Dividends, Voting, Policy Non-Assessable

1. The Named Insured is a member of the Company and shall participate in the distribution of dividends fixed and determined by the Board of Directors.

2. The Named Insured is entitled to vote, either in person or by proxy, at all meetings of the Company, pursuant to the Bylaws and Articles of Incorporation of the Company.

3. This policy is not assessable.
J. Entire Contract

By accepting this policy, each Insured agrees that the statements in the Declarations and in each application for renewal or supplementary application are his/her agreements and representations, that this policy is issued in reliance upon the truth of such representations, and that this policy embodies all agreements existing between each Insured and the Company or any of its agents relating to this insurance.

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President and a Secretary and countersigned on the Declarations page by a duly authorized representative of the Company.

PRESIDENT

SECRETARY