

LAWYERS PROFESSIONAL LIABILITY INSURANCE

NOTICE: This is a "claims made" form: except to such extent as may otherwise be provided herein, the coverage afforded under this insurance Policy is limited to liability for only those **Claims** that are first made against the Insured *and* reported to the Company while the insurance is in force. The Limits of Liability available to pay **Damages** shall be reduced and may be completely exhausted by payment of **Claims Expenses**. **Damages** and **Claims Expenses** shall be applied against the retention. Please review the coverage afforded under this insurance Policy carefully and discuss the coverage hereunder with your insurance agent or broker.

I. Insuring Agreements

The Company agrees with the Insured, named in the Declarations made a part hereof, in consideration of the payment of the premium, in reliance upon the statements in the application which is made a part of this insurance Policy (hereinafter "Policy" or "insurance"), and subject to the Limits of Liability, exclusions, conditions and other terms of this insurance:

A. Coverage

To pay on behalf of the Insured **Damages** and **Claims Expenses** which the Insured shall become legally obligated to pay because of any **Claim** or **Claims**, including **Claim(s)** for **Personal Injury** as hereafter defined, arising out of any, act(s), error(s) or omission(s) in rendering or failing to render Professional Services for others in the Insured's capacity as a lawyer, **Fiduciary** or notary public, provided:

- a. first made against the Insured *and* reported to the Company during the **Period of Insurance** or **Extended Reporting Period**; and
- b. the act(s), error(s) or omission(s) was committed by the Insured after the Retroactive Date as set forth in the Declarations; and
- c. the act(s) were performed on behalf of the Named Insured designated in the Declarations; and
- d. the act(s) were performed for a fee; and
- d. coverage is not otherwise excluded or limited by the terms, conditions and exclusions of this Policy.

B. Defense and Settlement (Included in the Limits of Liability)

1. The Company shall have the duty to defend, subject to the Limits of Liability, any **Claim** against the Insured seeking **Damages** which are payable under the terms of this insurance, even if any of the allegations of the **Claim** are groundless, false or fraudulent.
2. It is agreed that the Limits of Liability available to pay **Damages** shall be reduced and may be completely exhausted by payment of **Claims Expenses**. **Damages** and **Claims Expenses** shall be applied against the retention.
3. The Company shall have the right to make any investigation they deem necessary, including, without limitation, any investigation with respect to the application and statements made in the application and, with respect to coverage.
4. If the Insured shall refuse to consent to any settlement or compromise recommended by the Company and acceptable to the Claimant and elects to contest the **Claim**, the Company's liability for any **Damages** and **Claims Expenses** shall not exceed the amount for which the **Claim** could have been settled, plus the **Claims Expenses** incurred up to the time of such refusal, or the applicable Limits of Liability, whichever is less, and the Company shall have the right to withdraw from the further defense thereof by tendering control of said defense to the Insured.

5. It is further provided that the Company shall not be obligated to pay any **Damages** or **Claims Expenses**, or to undertake or continue defense of any suit or proceeding after the applicable limit of the Company's liability has been exhausted by payment of **Damages** or **Claims Expenses** or after deposit of the applicable Policy limit in a court of competent jurisdiction, and that upon such payment, the Company shall have the right to withdraw from the further defense thereof by tendering control of said defense to the Insured.

II. **Definition of Insured**

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

- (a) If the Named Insured designated in the Declarations is an individual, the person so designated but only with respect to the court-authorized conduct of a law practice of which the individual is the sole proprietor;
- (b) If the Named Insured designated in the Declarations is a partnership, the partnership so designated.
- (c) Any lawyers who are partners in the Named Insured including any incorporated partners and their shareholders but solely for acts on behalf of the Named Insured designated in the Declarations;
- (d) If the Named Insured designated in the Declarations is a professional corporation or professional association, the professional corporation or professional association so designated.
- (e) Any lawyers who are stockholders or members of a professional corporation or professional association but solely for acts on behalf of such Named Insured;
- (f) Any lawyer acting as "of counsel", but solely for acts on behalf of the Named Insured designated in the Declarations;
- (g) Any employed lawyer or other employee but solely for acts on behalf of the Named Insured designated in the Declarations;
- (h) Any person who previously qualified as an Insured under (c), (e), (f) or (g) above prior to the termination of the required relationship with Named Insured, but solely for acts on behalf of the Named Insured designated in the Declarations;
- (i) Any partnership, professional corporation or professional association, advised in writing to the Company prior to the inception of this Policy, of which the Named Insured is the successor;
- (j) Any lawyer who during the **Period of Insurance** becomes a partner, member, stockholder or employee of the Named Insured but solely for acts on behalf of the Named Insured designated in the Declarations;
- (k) The estate, heirs, executors, administrators, assigns and legal representatives of any Insured in the event of such Insured's death, incapacity, insolvency or bankruptcy, but only to the extent that such Insured would otherwise be provided coverage under this insurance.

III. **Territory**

This insurance applies to acts, errors or omissions which take place anywhere in the world provided that **Claim** is first made against the Insured within the United States of America, its

territories or possessions or Canada during the **Period of Insurance** or **Extended Reporting Period** when purchased in accordance with Clause IX.

IV. **Exclusions**

The coverage under this insurance does not apply to **Damages** or **Claims Expenses** incurred with respect:

- (a) to any **Claim** arising out of any criminal, dishonest, fraudulent or malicious act, error or omission of any Insured, committed with actual, criminal, dishonest, fraudulent or malicious purpose or intent. Notwithstanding this exclusion, the Company will defend the Insured under a presumption of innocence for all **Claims Expenses** under this Policy, but if a court returns a verdict against an Insured, the Named Insured will reimburse the Company in full for all **Claims Expenses** paid, including all outside investigative fees incurred.
- (b) to punitive or exemplary damages, fines, penalties, sanctions or any damages which are a multiple of compensatory damages, except that if a **Claim** shall have been brought against the Insured seeking both compensatory and either punitive or exemplary damages, fines, penalties, sanctions or damages which are a multiple of compensatory damages, then any coverage which may be afforded by this Policy will apply to any **Claims Expenses** incurred, without liability, however, for such punitive or exemplary damages, fines, penalties, sanctions or damages which are a multiple of compensatory damages;
- (c) to any **Claim** by one Insured under this insurance against another Insured under this insurance;
- (d) to any **Claim** arising out of bodily injury, physical or mental harm, mental anguish, emotional distress, humiliation, sickness or disease sustained by any person—including death resulting from any of these at any time to any person, and including all effects of sexual acts, including rape, sexual molestation, non-consensual sex, or sexual assault—resulting from any cause, including injury directly or indirectly arising out of training, hiring, disciplining, or termination of one or more employees or failure to train, discipline, or terminate one or more employees;
- (e) to any **Claim** arising out of injury to or destruction of any tangible property, including the loss of use thereof;
- (f) to any loss sustained by an Insured as a beneficiary or distribute of any trust or estate;
- (g) to any **Claim** arising out of any Insured's activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the Named Insured;
- (h) to any **Claim** made by or against or in connection with any business enterprise (including the ownership, maintenance or care of any property in connection therewith), not named in the Declarations, which is owned by any Insured or in which any Insured is a trustee, partner, officer, director or employee (except where he is an employee solely by virtue of having been retained to perform legal services), or which is directly or indirectly controlled, operated or managed by any Insured in a non-fiduciary capacity;
- (i) to any **Claim** or circumstance which might lead to a **Claim**, in respect of which any Insured has given notice to the insurer of any other policy in force previous to the effective date of this Policy;

- (j) to any **Claim** arising out of any acts, errors, or omissions which took place prior to the effective date of this Policy, if any Insured on the effective date knew or could have reasonably foreseen that such acts, errors or omissions might be reasonably expected to be the basis of a **Claim**;
- (k) to any **Claim** arising out of any Insured's capacity as an elected public official or as an employee of a governmental body, subdivision, or agency thereof unless the Insured is deemed an employee solely by virtue of rendering legal services to such governmental body, the remuneration for which services inures to the benefit of the Named Insured;
- (l) to any **Claim** arising out of any Insured's activities and/or capacity as a **Fiduciary** under the Employee Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto, except if the Insured is deemed to be a **Fiduciary** solely by reason of legal advice rendered with respect to any employee benefit plan;
- (m) to any **Claim** seeking the return or reimbursement of legal fees, costs or expenses paid to the Insured;
- (n) to any **Claim** directly or indirectly brought about by arising out of, or attributable to any actual or alleged violation of the Racketeer Influenced and Corrupt Organization Act, 18 USC Sections 1961 et seq., or any comparable state law, and any amendments thereto, or any rules or regulations promulgated thereunder;
- (o) to any **Claim** arising from the practice of law or unauthorized practice of law in any jurisdiction in which an Insured is not actively licensed or court-authorized to practice law.
- (p) to any **Claim** based upon or arising out of or alleging or resulting, directly or indirectly, from:
 - 1). facts alleged, or the same acts or series of continuous, repeated, or related acts alleged or contained in any **Claim** which has been reported, or in any circumstances of which notice has been given, under any policy which this Policy is a renewal of or replacement of or succeeds in time;
 - 2) any act, circumstance, or event committed, omitted, or occurring prior to the Policy Period if, on or before the **First Inception Date**, the Named Insured knew or could have reasonably foreseen that such act, circumstance, or event could give rise to a **Claim** against a Named Insured; or,
 - 3) as of the **First Inception Date**, any pending or prior: (i) **Claim**, demand, suit, arbitration, mediation, or litigation, or (ii) administrative, bankruptcy, regulatory proceeding, or investigation, of which an Insured had notice, or alleging or derived from the same or essentially the same facts as alleged in such pending or prior **Claim**, demand, suit, arbitration, mediation, litigation, or administrative bankruptcy, or regulatory proceeding or investigation.

V. **Conditions**

Definitions: Whenever used in this Policy:

A. "Personal Injury" means:

- (1) false arrest, detention or imprisonment, wrongful entry or eviction or other invasion of the right of private occupancy, or malicious prosecution;

- (2) libel or slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy.
- B. "Claims Expenses" means:
- (1) fees charged by an attorney designated by the Company and consented to by the Named Insured, with such consent not to be unreasonably withheld; and
 - (2) all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, suit or proceeding arising in connection therewith, if incurred by the Company, or by the Insured with the written consent of the Company.
 - (3) **Claims Expenses** does not include any salary, overhead or other charges by an Insured for any time spent in cooperating in the defense and investigation of any **Claim** or circumstance, which might lead to a **Claim** notified under this insurance.
- C. "Period of Insurance" means the lesser of the Policy Period stated on the Declarations page or the period of time between the inception date shown in the Declarations and the effective date of termination, expiration or cancellation of this insurance. This period specifically excludes any **Extended Reporting Period** hereunder.
- D. "Extended Reporting Period", if applicable, means the 12-month period of time after the end of the **Period of Insurance** for reporting **Claims** arising out of acts, errors or omissions which took place prior to the end of the **Period of Insurance** and are otherwise covered by this insurance.
- E. "Claim" means a written demand for **Damages** received by the Insured, including service of suit and including declaratory judgment actions or the demand for arbitration proceedings against the Insured.
- F. "Fiduciary," except as set forth in Clause IV(j), means an Insured's capacity as an administrator, conservator, executor, guardian, trustee, receiver, escrow agent or any similar capacity.
- G. "First Inception Date" means the inception date of the first errors and omissions, professional, media or other liability policy that (i) provides or provided the same or essentially the same coverage as this Policy and (ii) was issued by Gotham Insurance Company, New York General and Marine Insurance Company, or any member of the NYMAGIC, Inc., group of companies, to the Named Insured and continually renewed through to the Policy Period of this policy.
- H. "Damages" means a monetary judgment, award or settlement, including monetary compensation to an entity other than an Insured for financial loss.
- I. "Professional Services" means those activities listed in the Declarations as such.

Whenever the singular form of a word is used herein, the same shall include the plural when required by context.

VI. **Limits of Liability**

- A. The Limits of Liability stated in the Declarations as "each and every claim" is the limit of the Company's liability for all **Damages** and **Claims Expenses** arising out of the

same, related or continuing Professional Services without regard to the number of Insureds, **Claims** or claimants.

- B. The Limits of Liability stated in the Declaration as "aggregate" is the total limit of the Company's liability for all **Damages** and **Claims Expenses** arising out of **Claims** or circumstances which might lead to a **Claim** first made and reported to the Company during the **Period of Insurance** or during the **Extended Reporting Period** and **Claims** arising out of the same, related or continuing Professional Services as such **Claims** or circumstances which might lead to a **Claim**.
- C. The Limits of Liability for the **Extended Reporting Period** shall be part of, and not in addition to, the limits of liability of the Company for the **Period of Insurance**.

VII. **Retention**

The retention amount stated in the Declarations, shall be satisfied by payments by the Insured of **Damages** and **Claims Expenses** resulting from each **Claim** first made and reported to the Company during the **Period of Insurance** and the **Extended Reporting Period** as a condition precedent to the payment by the Company of any amounts hereunder and the Company shall be liable only for amounts in excess of such Retention subject to Company's total liability not exceeding the limit set forth in the Declarations. The Insured shall make direct payments within the retention to appropriate other parties designated by the Company. If the Company initially pays the retention amount, the Named Insured shall reimburse the amount paid within thirty (30) days. Failure of the Insured to remit amounts due in connection with settlements, judgments and loss adjustment expenses under this Policy, or any Policy of which this Policy is a renewal, shall be deemed to be equivalent to non-payment of premium, and may be used as a reason for cancellation. The Insured agrees to pay fees and expenses incurred in efforts to recover from the Insured any unreimbursed amounts.

VIII. **Extended Reporting Period**

- 1. If the Policy is not renewed for any reason, or is canceled for any reason other than for non-payment of premium (whether cancelled by the Company or by the Insured), the following Extended Reporting Period options may apply, but only for **Claims** resulting from negligent acts, errors or omissions committed before the termination date of the Policy and otherwise covered by this Policy. An **Extended Reporting Period** extends the time for reporting a **Claim** under the Policy past the expiration date of the Policy, but does not otherwise alter or increase coverage.
 - a. **Automatic Extended Reporting Period:** If the Named Insured has not obtained another insurance policy covering **Professional Services** after the expiration date of this Policy, the Company shall provide to the Named Insured an automatic, non-cancelable Extended Reporting Period starting at the termination of the **Policy Period**, but only for **Claims** resulting from negligent acts, errors or omissions committed before the termination date of the Policy which are otherwise covered by this Policy. This automatic Extended Reporting Period will terminate at the earlier of the following dates: (a) after sixty (60) days or (b) at 12:01 A.M. on the date that another insurance policy covering the **Professional Services** of the Named Insured takes effect.
 - b. **Optional Extended Reporting Period:** Alternatively, the Insured has the right to purchase an Extended Reporting

Period for a period of twelve (12) months after the Policy terminates, but only for **Claims** resulting from negligent acts, errors or omissions committed before the termination date of the Policy which are otherwise covered by this Policy.

The premium for this Extended Reporting Period shall be 100% of the full annual premium set forth in the Declarations and attached endorsements. The Named Insured must elect such coverage and pay the additional premium to the Company within sixty (60) days after the effective date of the Policy's termination. Such additional premium is deemed fully earned immediately upon the inception of the Extended Reporting Period.

The Optional Extended Reporting Period will be added by endorsement, and once endorsed, cannot be cancelled.

2. An Extended Reporting Period does not reinstate or increase the Limits of Liability. The Company's Limits of Liability during the Extended Reporting Period are included within, and not in addition to the Limits of Liability set forth in the Declarations.

IX. Other Insurance

This insurance shall apply in excess of any other valid and collectible insurance available to any Insured, unless such other insurance is written only as specific excess insurance over the Limits of Liability of this Policy.

X. Notice of Claim or Circumstances

i. Claims:

- a. During the Policy Period or Extended Reporting Period, if applicable, the Insured must immediately send copies to the Company of any legal notices, summonses, complaints, or legal papers received in connection with any **Claim**, and must authorize the Company to obtain records and other information.
- b. The Insured must send any **Claims** other than legal notices, summonses, complaints, or legal papers to the Company as soon as practicable, but in no event later than 60 days after receipt by the Insured, and must authorize the Company to obtain records and other information.

- ii. Incidents or Notices of Circumstances: At any time during the Policy Period or Extended Reporting Period, if applicable, the Insured must notify the Company, as soon as practicable, of an act, error, omission, incident, circumstance, occurrence or offense that may reasonably be expected to result in a **Claim**.

The Insured shall include within any such notice (called a "notice of circumstances"), the following information, with specificity, to the extent known by the Insured at the time of such notice:

- A. a description of the alleged act, error, omission, incident, circumstance, occurrence or offense and;

- B. the date(s) it was committed or happened, and;
 - C. a summary of the facts, and;
 - D. the alleged or potential **Damages** that may result from the act, error, omission, incident, circumstance, occurrence or offense and;
 - E. the names of any claimants, and;
 - F. the names of any other Insured(s) involved, and;
 - G. the names of any employees who committed or allegedly committed the act, error, omission, and;
 - I. the date and circumstances by which the Insured(s) first became aware of such loss.
- 3. A **Claim** shall be considered to be reported to the Company when notice is first given to the Company by or through the Named Insured in the Declarations.
 - 4. An act, error, omission, incident, circumstance, occurrence or offense that may reasonably be expected to result in a **Claim** shall be considered to be reported to the Company when notice of circumstances is first given to the Company by or through the Named Insured in the Declarations, including the details enumerated in the above subparagraph 2. Should a **Claim** later result from the act, error, omission, incident, circumstance, occurrence or offense in the notice of circumstances, then that resulting **Claim** shall be deemed to have been timely reported under this subsection **A. Notice of Claim or Circumstances**.
 - 5. All **Claims** arising out of the same, continuing or related Professional Services shall be considered a single **Claim** and deemed to have been made at the time the first of the related **Claims** is reported to the Company and shall be subject to one Limit of Liability.

XI. Assistance and Cooperation of the Insured

The Insured shall cooperate with the Company in all investigations, including investigations regarding the application and coverage under this insurance and, upon the Company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization other than an employee of any Insured who may be liable to the Insured because of acts, errors or omissions with respect to which insurance is afforded under this Policy; and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at his own cost, admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award or otherwise dispose of any **Claim** without the consent of the Company.

XII. Action Against the Company

No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all terms of this insurance, nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgment or award

against the Insured after actual trial or arbitration or by written agreement of the Insured, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment, award or written agreement shall thereafter be entitled to make a **Claim** under this Policy to the extent of the insurance afforded by this Policy. No person or organization shall have any right under this insurance to join the Company as a party to an action or other proceeding against the Insured to determine the Insured's liability, nor shall the Company be impleaded by the Insured or his legal representative. Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Company of any of its obligations hereunder.

XIII. **Subrogation**

In the event of any payment under this insurance, the Company shall be subrogated to all the Insured's rights of recovery therefore against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after the payment of **Damages** by the Company to prejudice such rights.

XIV. **Changes**

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this insurance or estop the Company from asserting any right under the terms of this insurance; nor shall the terms of this insurance be waived or changed, except by endorsement issued to form a part of this insurance, signed by the Company.

XV. **Change in Membership of Firm**

Any additions to the list of lawyers in the application, which take place during the **Period of Insurance**, must be immediately reported to the Company. The Company expressly reserves the right to demand a premium adjustment, per the rate listed in the Declarations, in the event that any additions to the list of lawyers in the application for this insurance occur.

XVI. **Mergers and Acquisitions**

The Named Insured shall be required to give written notice to the Company prior to the completion of a merger or acquisition by or of the Named Insured and the Company expressly reserve the right to demand a premium adjustment if this insurance is to remain in force subsequent to any merger or acquisition.

XVII. **Assignment**

The interest hereunder of any Insured is not assignable. If the Insured shall die or be adjudged incompetent, this insurance shall cover the Insured's legal representative as the Insured with respect to liability previously incurred and covered by this Insurance.

XVIII. **Cancellation**

- A. This Policy may be cancelled by the Named Insured by surrender thereof to the Company or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This insurance may be cancelled by the Company by mailing to the Named Insured at the address shown in the Declarations written notice stating when not less than 60 days thereafter such cancellation shall be effective. However, if the Company cancel this insurance because the Insured has failed to pay a premium when due this insurance may be cancelled by the Company by mailing a written notice of cancellation to the Named Insured at the address shown in the Declarations stating when not less than 10 days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Period of Insurance**. Delivery (where permitted

by law) of such written notice either by the Named Insured or by the Company shall be equivalent to mailing.

- B. If the Named Insured cancels this insurance, earned premium shall be computed in accordance with the attached short rate table and procedure. If the Company cancels this insurance, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

XIX. Entire Contract

By acceptance of this Policy the Insured agrees that the statements in the Declarations and application are his agreements and representations, that this insurance is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the Insured and the Company relating to this insurance.