

**EMPLOYMENT PRACTICES
LIABILITY INSURANCE POLICY
FOR LAW FIRMS**



**THIS IS A CLAIMS MADE POLICY
WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY.
PLEASE READ THE ENTIRE POLICY CAREFULLY.**

In consideration of the payment of the premium, and in reliance on all statements made and information furnished to the Underwriter, and subject to all of the terms and conditions of this Policy (including all endorsements hereto), the Underwriter and the **Insured** agree as follows:

I. INSURING AGREEMENT

The Underwriter will pay on behalf of an **Insured** any **Loss**, including **Defense Expenses**, in excess of the retention set forth in ITEM 4 of the Declarations, from any **Claim** first made during the **Policy Period** or any applicable Extended Reporting Period against an **Insured** for a **Wrongful Employment Act** committed or allegedly committed on or after the Retroactive Date set forth in ITEM 5 of the Declarations; provided, that such **Claim** is reported in accordance with CONDITION (B) of this Policy.

II. DEFINITIONS

- (A) “**Application**” means the application attached to and forming part of this Policy, including any materials submitted and statements made in connection therewith, all of which are on file with the Underwriter and are a part of this Policy, as if physically attached. If the **Application** uses terms or phrases that differ from terms defined in this Policy, no inconsistency between any term or phrase used in the **Application** and any term defined in this Policy will waive or change any of the terms and conditions of this Policy.
- (B) “**Claim**” means:
- (1) any written demand received by an **Insured** that any person or entity intends to hold an **Insured** responsible for a **Wrongful Employment Act**;
 - (2) any judicial, administrative or other proceeding, including a criminal or alternative dispute resolution proceeding, against an **Insured** for a **Wrongful Employment Act**; or
 - (3) any written request to toll or waive a statute of limitations relating to a potential **Claim**;

provided, that **Claim** does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

- (C) “**Defense Expenses**” means reasonable and necessary legal fees and expenses incurred in the investigation, defense or appeal of any **Claim**. **Defense Expenses** does not include:
- (1) remuneration, salaries, wages, fees, expenses, overhead or benefit expenses of any **Insured**; or
 - (2) any fees, costs or expenses incurred prior to the time that a **Claim** is first made against an **Insured**.
- (D) “**Discrimination**” means any failure or refusal to hire any person, any failure or refusal to promote any **Employee**, any failure or refusal to offer any person a partnership or shareholder interest or to name any person as a partner or shareholder in the **Firm**, the demotion or discharge of any **Employee**, wrongful failure to grant tenure to any **Employee**, or any limitation, segregation or classification of **Employees** or applicants for employment in any way that would deprive or tend to deprive any such person of employment opportunities or otherwise adversely affect his or her status as an **Employee** because of such person’s race, color, religion, age, sex, national origin, disability, HIV status, mental status, genetic information, pregnancy, marital or family status, sexual orientation or preference, military or veteran status, or other status that is protected pursuant to any applicable federal, state or local statute, ordinance or regulation.
- (E) “**Domestic Partner**” means any natural person qualifying as a domestic partner under the provisions of any federal, state or local statute, ordinance or regulation or under the provisions of any formal program established by the **Firm**.
- (F) “**Employee**” means any person who is employed by the **Firm** or by an incorporated partner of the **Firm**, whether on a full-time, part-time, seasonal or temporary basis, but solely for conduct within the scope of his or her employment for the **Firm**. **Employee** also includes:
- (1) any partner, principal, director, officer or shareholder of the **Firm**, but solely for conduct within the scope of his or her duties as a partner, principal, director, officer or shareholder of the **Firm**;
 - (2) any volunteer working for the **Firm**, but solely for conduct within the scope of his or her duties as a volunteer for the **Firm**;
 - (3) any **Independent Contractor** working solely for the **Firm**, but solely for conduct within the scope of his or her duties as an **Independent Contractor** for the **Firm**; and
 - (4) any **Leased Employee** working solely for the **Firm**, but solely for conduct within the scope of his or her duties as a **Leased Employee** for the **Firm**.

- (G) “**Firm**” means the organization engaged in the practice of law under the name first set forth in ITEM 1 of the Declarations, whether as a partnership, professional corporation, association or otherwise (hereinafter referred to as the “Principal Firm”). **Firm** also includes the Principal Firm’s:
- (1) predecessors as set forth in ITEM 1 of the Declarations; and
 - (2) subsidiaries as set forth in ITEM 1 of the Declarations, but only during the time such subsidiary is owned by, and under the management of, the Principal Firm.
- (H) “**Harassment**” means:
- (1) sexual harassment, including unwelcome sexual advances, requests for sexual favors or other verbal, visual or physical conduct of a sexual nature that is made a condition of employment with, is used as a basis for employment decisions by, interferes with performance at, or creates an intimidating, hostile or offensive working environment within, the **Firm**; or
 - (2) workplace harassment (i.e., harassment of a non-sexual nature) that interferes with performance at, or creates an intimidating, hostile or offensive working environment within, the **Firm**.
- (I) “**Independent Contractor**” means any person who:
- (1) performs services in the course of the **Firm**’s business similar to services that other **Employees** perform;
 - (2) has a written contract or agreement with the **Firm** regarding the performance of such services; and
 - (3) has a continuing relationship with the **Firm**, whether ongoing or periodic.
- (J) “**Insured**” means the **Firm** and each person who was, is or becomes:
- (1) a partner, principal, director, officer, shareholder or other **Employee** of the **Firm**; and
 - (2) “counsel” or “of counsel” to the **Firm**.

In the event of the death, incapacity or bankruptcy of an **Insured**, any **Claim** against the estate, heirs, legal representatives or assigns of such **Insured** for a **Wrongful Employment Act** of such **Insured** will be deemed to be a **Claim** against such **Insured**.

Subject to all of its terms, conditions, limitations and exclusions, this Policy will apply to **Loss**, including **Defense Expenses**, from a **Claim** made against a person who, at the time

such **Claim** is made, is a lawful spouse or **Domestic Partner** of an **Insured**, but only if: (a) the **Claim** against such spouse or **Domestic Partner** results from a **Wrongful Employment Act** committed or allegedly committed by the **Insured** to whom the spouse is married or with whom the **Domestic Partner** is in a domestic partnership; and (b) such **Insured** and his or her spouse or **Domestic Partner** are represented by the same counsel in connection with such **Claim**.

(K) “**Leased Employee**” means any person who:

- (1) performs services in the course of the **Firm’s** business on the **Firm’s** premises under the **Firm’s** supervision;
- (2) is the subject of a written lease contract between the **Firm** and a temporary or staffing agency regarding the performance of the **Leased Employee’s** services; and
- (3) is subject to the **Firm’s** human resource policies and procedures.

(L) “**Loss**” means **Defense Expenses** and any monetary amount an **Insured** is legally obligated to pay as a result of a **Claim**, including: compensatory damages; punitive or exemplary damages if and to the extent that such damages are insurable by law in the jurisdiction most favorable to the insurability of such damages, where such jurisdiction has a substantial relationship to the **Insureds**, the Underwriter, the **Wrongful Employment Act** giving rise to the **Claim** or where the **Claim** is made; back pay; front pay; pre- or post-judgment interest; settlements; and premiums on appeal bonds required to be furnished in any defended suit. **Loss** does not include:

- (1) fines, penalties, sanctions, taxes, liquidated damages or the multiplied portion of any multiplied damage award imposed by statute (except for multiplied damages awarded pursuant to the Age Discrimination in Employment Act or the Equal Pay Act or any similar state anti-discrimination law);
- (2) any costs associated with the modification of any building or property in order to provide any reasonable accommodations required by, made as a result of, or to conform with the requirements of, the Americans With Disabilities Act or any amendments thereto or regulations promulgated thereunder, or any similar federal, state or local statute, ordinance, regulation or common law;
- (3) any other non-monetary or equitable relief or redress awarded against an **Insured**, including without limitation the cost of complying with any injunctive, declaratory or administrative relief;
- (4) severance pay or damages determined to be owed under an express written contract of employment, an independent contractor services agreement, a leased employee contract, or an express written obligation to make payment in the event of the termination of employment;

- (5) payment of insurance plan benefits;
 - (6) commissions, bonuses, profit sharing, return of capital or equity, redemption of shares, unreimbursed expenses or distribution of profits;
 - (7) the return, restitution or disgorgement of fees, costs, expenses or commissions;
 - (8) amounts awarded pursuant to a labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement; or
 - (9) matters which are uninsurable under applicable law; provided, that with respect to punitive or exemplary damages, “applicable” shall be determined by the standards set forth above in this DEFINITION (L).
- (M) “**Manager**” means a partner, principal, director, officer, shareholder, Director of Human Resources, Firm Administrator, or Risk Manager of the **Firm**, or the functional equivalents thereof.
- (N) “**Policy Period**” means the period from the Inception Date stated in ITEM 2(a) of the Declarations to the Expiration Date stated in ITEM 2(b) of the Declarations or to any earlier cancellation date of this Policy.
- (O) “**Related Claims**” means all **Claims** for **Wrongful Employment Acts** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same or related facts, circumstances, situations, transactions, decisions or events or the same or related series of facts, circumstances, situations, transactions, decisions or events, whether related logically, causally, or in any other way.
- (P) “**Retaliation**” means employment-related retaliatory treatment against an **Employee** on account of such **Employee’s** exercise or attempted exercise of his or her rights under law.
- (Q) “**Third Party Wrongful Employment Act**” means:
- (1) disparate treatment or classification of any natural person third party based on race, color, religion, age, sex, national origin, disability, HIV status, mental status, genetic information, pregnancy, marital or family status, sexual orientation or preference, military or veteran status, or other status that is protected pursuant to any applicable federal, state or local statute, ordinance or regulation;
 - (2) unwelcome sexual advances, requests for sexual favors or other verbal, visual or physical conduct of a sexual nature that is made to any natural person third party; or
 - (3) unlawful harassment of a non-sexual nature of any natural person third party.

- (R) “**Workplace Tort**” means employment-related: (1) defamation (including libel and slander); (2) invasion of privacy; (3) negligent hiring, evaluation or retention; (4) wrongful discipline; (5) wrongful employment reference; or (6) wrongful deprivation of career opportunity; of an **Employee** in connection with such **Employee’s** employment relationship with the **Firm**. **Workplace Tort** also includes false imprisonment or detention or employment-related wrongful infliction of emotional distress, but only when alleged as part of a **Claim** for an otherwise-covered **Wrongful Employment Act**.
- (S) “**Wrongful Employment Act**” means any actual or alleged: (1) **Discrimination**; (2) **Harassment**; (3) **Retaliation**; (4) **Third Party Wrongful Employment Act**; (5) **Workplace Tort**; or (6) **Wrongful Termination**; committed or allegedly committed by an **Insured**.
- (T) “**Wrongful Termination**” means the actual or constructive termination of the employment of, demotion of, failure or refusal to promote, or failure or refusal to offer a partnership or shareholder interest to or to name as a partner or shareholder, any **Employee**, which is in violation of law, is against public policy, is in breach of an implied agreement to continue employment, or, subject to EXCLUSION (B)(4), is in breach of an express written agreement to continue employment.

III. EXCLUSIONS

- (A) This Policy does not apply to, and no coverage will be available under this Policy for, **Loss**, including **Defense Expenses**, from any **Claim**:
- (1) for any actual or alleged violation of the responsibilities, duties or obligations imposed under the Employee Retirement Income Security Act of 1974 (except Section 510 thereof), as amended, or any regulations promulgated thereunder, or any similar provisions of any federal, state or local statute, ordinance, regulation or common law;
 - (2) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged bodily injury to, or sickness, loss of consortium, disease or death of, any person, or damage to or destruction of property, including the loss of use thereof; provided, that this EXCLUSION (A)(2) shall not apply to emotional distress, mental anguish or humiliation actually or allegedly resulting from a **Wrongful Employment Act**;
 - (3) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:
 - (a) any fact, circumstance, situation, transaction, decision, event or **Wrongful Employment Act** about which any **Manager** had knowledge prior to the inception date of the first Employment Practices Liability Insurance Policy issued to the **Firm** by the Underwriter and continuously renewed by the Underwriter;

- (b) any **Claim** or fact, circumstance, situation, transaction, decision, event or **Wrongful Employment Act** which, before the Inception Date of this Policy as set forth in ITEM 2(a) of the Declarations, was the subject of any notice given under any other insurance policy, or which was identified in any summary or statement of claims or circumstances which could give rise to a claim submitted in connection with the **Application** or an application for any policy of which this Policy is a renewal or replacement; or
- (c) any prior and/or pending demand, judicial, administrative or other proceeding, including a criminal or alternative dispute resolution proceeding, against any **Insured** as of the Inception Date of this Policy set forth in ITEM 2(a) of the Declarations, or any fact, circumstance, situation, transaction, decision, event or **Wrongful Employment Act** underlying or alleged in any such demand or proceeding;

provided, that if EXCLUSION (A)(3)(a) is applicable because of a **Wrongful Employment Act** committed by a **Manager**, and if no other **Manager** had knowledge thereof prior to the inception date of the first Employment Practices Liability Insurance Policy issued to the **Firm** and continuously renewed by the Underwriter, EXCLUSION (A)(3)(a) shall apply only to the **Manager** who committed such **Wrongful Employment Act** and shall not bar coverage for any other **Insured**;

- (4) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any obligation of an **Insured** to defend, indemnify or hold harmless any person or entity, other than an **Insured**, by reason of the assumption of such person's or entity's liability for a **Wrongful Employment Act** in any contract or agreement, including an independent contractor services agreement or a leased employee contract; provided, that this EXCLUSION (A)(4) shall not apply to the extent that such **Insured** would have been liable in the absence of such contract or agreement;
- (5) for any actual or alleged violation of responsibilities, duties or obligations imposed under the National Labor Relations Act or any amendments thereto or regulations promulgated thereunder, or any similar provisions of any federal, state or local statute, ordinance, regulation or common law;
- (6) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any lockout, strike, picket line, hiring of replacement workers or other similar actions in connection with labor disputes or labor negotiations;
- (7) for any actual or alleged violation of the responsibilities, duties or obligations imposed under any federal, state or local wage and hour law, including, without

limitation, the Fair Labor Standards Act; provided, that this EXCLUSION (A)(7) shall not apply to the extent such **Claim** is for **Discrimination** or **Retaliation**;

- (8) by or on behalf of, in the name or right of, or for the benefit of, any partner, principal, director, officer or shareholder of the **Firm** arising out of a partnership agreement, allocation of shares, ownership interests in the **Firm**, distribution of profits or capital or any other similar financial relationship among **Insureds**;
 - (9) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty by any **Insured** in connection with the rendering of, or actual or alleged failure to render, services to others as an attorney, notary public, administrator, conservator, executor, trustee, guardian or committee or in any similar fiduciary capacity incidental to the practice of law; or
 - (10) for any criminal assault or battery, including any criminal sexual assault or battery, by any **Insured**.
- (B) This Policy does not apply to, and no coverage will be available under this Policy for, **Loss**, other than **Defense Expenses**, from any **Claim**:
- (1) for any actual or alleged violation of the responsibilities, duties or obligations imposed under the Workers' Adjustment and Retraining Notification Act or any amendments thereto or regulations promulgated thereunder, or any similar provisions of any federal, state or local statute, ordinance, regulation or common law;
 - (2) seeking only non-monetary or equitable relief;
 - (3) based upon or arising out of any actual or alleged violation of any workers' compensation law, any unemployment compensation law, any social security law, the Consolidated Omnibus Budget Reconciliation Act of 1985 or any amendments thereto or regulations promulgated thereunder, any disability benefits law, or any similar provisions of any federal, state or local statute, ordinance, regulation or common law; or
 - (4) for actual or constructive termination of the employment of, or demotion of, or failure or refusal to promote any **Employee** which is in breach of a written employment agreement, written independent contractor services agreement or written leased employee contract; provided, that this EXCLUSION (B)(4) shall not apply to the extent an **Insured** would have been liable in the absence of such written agreement or contract.

IV. CONDITIONS

(A) Limits of Liability; Retention

- (1) The amount stated in:
 - (a) ITEM 3(a) of the Declarations shall be the maximum Limit of Liability of the Underwriter for all **Loss**, including **Defense Expenses**, from each **Claim** or **Related Claim** for which this Policy provides coverage; and
 - (b) ITEM 3(b) of the Declarations shall be the maximum aggregate Limit of Liability of the Underwriter for all **Loss**, including **Defense Expenses**, from all **Claims** or **Related Claims** for which this Policy provides coverage.
- (2) Each Limit of Liability described in paragraph (1) above shall apply regardless of the time of payment by the Underwriter, the number of persons included within the definition of **Insured** or the number of claimants who make **Claims** against the **Insureds**.
- (3) **Defense Expenses** are part of and not in addition to the Underwriter's Limits of Liability, and payment of **Defense Expenses** by the Underwriter will reduce, and may exhaust, such Limits of Liability.
- (4) The **Insured** shall be responsible for payment in full of the retention set forth in ITEM 4 of the Declarations, and the Underwriter's obligation to pay **Loss**, including **Defense Expenses**, under this Policy shall be excess of such retention. The Underwriter shall have no obligation whatsoever, either to the **Insured** or to any other person or entity, to pay all or any portion of the retention on behalf of the **Insured**. The Underwriter shall, however, at its sole discretion, have the right and option to do so, in which event the **Insured** will repay the Underwriter any amounts so paid, and the amounts so paid will be credited against and will reduce the Underwriter's Limits of Liability unless and until they are repaid to the Underwriter.

(B) Reporting of Claims and Circumstances; When a Claim Is First Made

- (1) If, during the **Policy Period** or any applicable Extended Reporting Period, any **Claim** is first made against an **Insured**, the **Insured** must, as a condition precedent to any right to coverage under this Policy, give the Underwriter written notice of such **Claim** as soon as practicable thereafter and in no event later than sixty (60) days after such **Claim** is first made.

Timely and sufficient notice by one **Insured** of a **Claim** shall be deemed timely and sufficient notice for all **Insureds** involved in the **Claim**. Such notice shall give full particulars of the **Claim**, including, but not limited to: a description of

the **Claim** and **Wrongful Employment Act**; the identity of all potential claimants and any **Insureds** involved; a description of the injury or damages that resulted from such **Wrongful Employment Act**; information on the time, place and nature of the **Wrongful Employment Act**; and the manner in which an **Insured** first became aware of such **Wrongful Employment Act**.

- (2) If, during the **Policy Period**, an **Insured** first becomes aware of any **Wrongful Employment Act** that may subsequently give rise to a **Claim**, and the **Insured**:
- (a) gives the Underwriter written notice of such **Wrongful Employment Act** with full particulars as soon as practicable thereafter but in any event before the Expiration Date or earlier cancellation date of this Policy; and
 - (b) requests coverage under this Policy for any **Claim** subsequently arising from such **Wrongful Employment Act**;

then any **Claim** not otherwise excluded from this Policy subsequently made against an **Insured** arising out of such **Wrongful Employment Act** and for which notice is given to the Underwriter as soon as practicable thereafter and in no event later than sixty (60) days after such **Claim** is first made, shall, subject to **CONDITION (C)**, be treated as if it had been first made during the **Policy Period**. Full particulars shall include, but are not limited to: a description of the **Wrongful Employment Act**; the identity of all potential claimants and any **Insureds** involved; information on the time, place and nature of the **Wrongful Employment Act**; the manner in which an **Insured** first became aware of such **Wrongful Employment Act**; and the reasons an **Insured** believes the **Wrongful Employment Act** is likely to result in a **Claim**.

- (3) A **Claim** as defined in **DEFINITION (B)(1)** and **(B)(3)** is first made when any **Manager** of the **Firm**, or anyone designated by the **Firm** to receive employment related complaints, receives a written notice or request as set forth therein; and a **Claim** as defined in **DEFINITION (B)(2)** is first made when any **Manager** of the **Firm**, or anyone designated by the **Firm** to receive employment related complaints, first becomes aware, through service of process or otherwise, of the filing of a complaint, motion for judgment or similar document or pleading commencing a judicial, administrative or other proceeding, including a criminal or alternative dispute resolution proceeding, against an **Insured**.

(C) **Related Claims**

All **Related Claims**, whenever made, shall be deemed to be a single **Claim**, regardless of:

- (1) the number of **Related Claims**;
- (2) the number or identity of claimants;

- (3) the number or identity of **Insureds** involved or against whom **Related Claims** have been or could be made;
- (4) whether the **Related Claims** are asserted in a class action or otherwise; and
- (5) the number and timing of the **Related Claims**, even if the **Related Claims** comprising such single **Claim** were made in more than one **Policy Period**.

All **Related Claims** will be treated as a single **Claim** made when the earliest of such **Related Claims** was first made, or when the earliest of such **Related Claims** is treated as having been made in accordance with CONDITION (B)(2) above, whichever is earlier.

(D) **Defense and Settlement of Claims**

- (1) The **Insureds** will have the right and duty to retain qualified counsel of their choosing to represent them in the defense or appeal of any **Claim**, but no **Defense Expenses** may be incurred without the Underwriter's written consent, except at the **Insureds'** own cost and without erosion of the retention. It shall not be unreasonable, if more than one **Insured** is involved in a **Claim**, for the Underwriter to withhold its consent to separate counsel for one or more of such **Insureds** unless there is a material actual or potential conflict of interest among such **Insureds**.
- (2) The Underwriter will, upon written request, pay **Defense Expenses** owed under this Policy on a current basis. The Underwriter has no obligation to provide **Defense Expenses** for any **Claim** or any portion of any **Claim** that is not covered by this Policy. As a condition of any payment of **Defense Expenses** before the final disposition of a **Claim**, the Underwriter may require a written undertaking on terms and conditions satisfactory to it guaranteeing the repayment of any **Defense Expenses** paid on behalf of any **Insured** if it is finally determined that this Policy would not cover **Loss** incurred by such **Insured** in connection with such **Claim**. Except for **Defense Expenses** paid in accordance with this paragraph (2), the Underwriter will have no obligation to pay any **Loss** before the final disposition of a **Claim**.
- (3) No **Insured** may admit any liability for any **Claim**, advance any settlement offer or settle any **Claim** without the Underwriter's written consent; provided, however, that the **Insureds** may settle any **Claim** if the settlement amount and any **Defense Expenses** incurred in connection with such **Claim** are less than fifty percent (50%) of the retention set forth in ITEM 4 of the Declarations. The Underwriter will have the right to make investigations and conduct negotiations and, with the consent of the **Insureds**, enter into such settlement of any **Claim** as the Underwriter deems appropriate. If the **Insureds** refuse to consent to a settlement acceptable to the claimant in accordance with the Underwriter's recommendation, then, subject to the Underwriter's applicable Limits of Liability

set forth in ITEM 3 of the Declarations, the Underwriter's liability for such **Claim** will not exceed:

- (a) the amount for which the **Claim** could have been settled plus **Defense Expenses** incurred up to the date the **Insureds** refused to settle such **Claim** (the "Settlement Amount"); plus
- (b) seventy percent (70%) of any **Loss**, including **Defense Expenses**, in excess of the Settlement Amount incurred in connection with such **Claim**. The remaining thirty percent (30%) of **Loss**, including **Defense Expenses**, in excess of the Settlement Amount will be carried by the **Insureds** at their own risk and will be uninsured.

(E) **Territory**

This Policy applies to **Wrongful Employment Acts** taking place, and **Claims** made, anywhere in the world.

(F) **Assistance and Cooperation**

In the event of a **Claim**, or after giving the Underwriter written notice of a **Wrongful Employment Act** pursuant to CONDITION (B)(2), the **Insureds** shall provide the Underwriter with all information, assistance and cooperation that the Underwriter reasonably requests. At the Underwriter's request, the **Insureds** shall assist in: investigating, defending and settling **Claims**; enforcing any right of contribution or indemnity against another who may be liable to any **Insured**; the conduct of actions, suits, appeals or other proceedings, including, but not limited to, attending trials, hearings and depositions; securing and giving evidence; and obtaining the attendance of witnesses.

(G) **Subrogation**

In the event of any payment hereunder, the Underwriter shall be subrogated to the extent of any payment to all the rights of recovery of the **Insureds**. The **Insureds** shall execute all papers and do everything necessary to secure such rights, including the execution of any documents necessary to enable the Underwriter effectively to bring suit in their name. The **Insureds** shall do nothing that may prejudice the Underwriter's position or potential or actual rights of recovery. The obligations of the **Insureds** under this CONDITION (G) shall survive the expiration or termination of this Policy.

(H) **Changes in Risk**

- (1) If, during the **Policy Period**, the total number of **Employees** in the **Firm** increases by more than twenty percent (20%) as the result of the **Firm's** merger with or acquisition of any other law firm or any group of employees who practiced together at another law firm, the **Firm** must promptly give the Underwriter written notice thereof, together with such information as the

Underwriter may require, and the Underwriter will be entitled to impose such additional coverage terms and charge such additional premium in connection therewith as the Underwriter, in its sole discretion, may require.

- (2) If, during the **Policy Period**, any of the following events occur:
- (a) the acquisition of the Principal Firm, or of all or substantially all of its assets, by another entity, or the merger or consolidation of the Principal Firm into or with another entity such that the Principal Firm is not the surviving entity; or
 - (b) the appointment of a third party receiver, conservator, trustee, liquidator, rehabilitator or any similar official for or with respect to the Principal Firm;

coverage under this Policy will continue in full force and effect until the Expiration Date or any earlier cancellation date, but this Policy shall apply only to **Wrongful Employment Acts** committed or allegedly committed before the effective date of such event. There will be no coverage under this Policy with respect to any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Wrongful Employment Act** committed or allegedly committed on or after the effective date of such event. After any such event, this Policy may not be canceled, regardless of CONDITION (K), and the entire premium for this Policy will be deemed fully earned.

(I) **Primary Coverage; When Other Insurance Applies**

The coverage afforded under this Policy shall be primary; provided, that with respect to that portion of any **Claim** made against any temporary **Employee, Independent Contractor** or **Leased Employee**, **Loss**, including **Defense Expenses**, payable on behalf of such temporary **Employee, Independent Contractor** or **Leased Employee** under this Policy shall be specifically excess of and will not contribute with any other valid and collectible insurance available to such temporary **Employee, Independent Contractor** or **Leased Employee**, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is specifically in excess of this Policy.

(J) **Extended Reporting Period**

If this Policy is canceled for any reason other than non-payment of premium or is not renewed by the Underwriter or the Principal Firm, an additional period of time during which **Claims** may be reported under this Policy (an "Extended Reporting Period") shall be made available as described in this CONDITION (J), but any such Extended Reporting Period shall only apply to **Claims** for **Wrongful Employment Acts** committed or allegedly committed before the effective date of such cancellation or non-renewal ("Termination Date") or the effective date of any event described in

CONDITION (H)(2), whichever is earlier. No Extended Reporting Period shall in any way increase the Underwriter's Limits of Liability stated in ITEM 3 of the Declarations, and the Underwriter's Limit of Liability for all **Claims** first made during any Extended Reporting Period shall be part of, and not in addition to, the Underwriter's maximum aggregate Limit of Liability stated in ITEM 3(b) of the Declarations. The offer of renewal terms, conditions, limits of liability, retentions or premium different from those in effect prior to renewal shall not constitute cancellation or refusal to renew for purposes of this CONDITION (J). The Extended Reporting Period will apply as follows:

- (1) An Extended Reporting Period of sixty (60) days, beginning as of the Termination Date, will apply automatically and requires no additional premium; provided, that such Extended Reporting Period will remain in effect only as long as no other policy of insurance is in effect that would apply to any **Claim** made during such Extended Reporting Period.
- (2) The Principal Firm may purchase an additional Extended Reporting Period for one of the periods of time stated in ITEM 7 of the Declarations by notifying the Underwriter in writing of its intention to do so no later than thirty (30) days after the Termination Date. The additional premium for this additional Extended Reporting Period shall be equal to the applicable amount stated in ITEM 7 of the Declarations and must be paid no later than thirty (30) days after the Termination Date.

If no election to purchase an additional Extended Reporting Period is made as described in CONDITION (J)(2) above, or if the additional premium for any such Extended Reporting Period is not paid within thirty (30) days after the Termination Date, there will be no right to purchase an additional Extended Reporting Period at any later time.

(K) Cancellation; Nonrenewal

- (1) The Underwriter may not cancel this Policy except for the **Firm's** failure to pay a premium when due, in which case twenty (20) days' written notice will be given to the Principal Firm by the Underwriter.
- (2) Except as set forth in CONDITION (H)(2) and CONDITION (N), the Principal Firm may cancel this Policy prospectively only by mailing the Underwriter written notice stating when thereafter such cancellation will be effective. In such event, the earned premium will be computed in accordance with the customary short rate table and procedure. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
- (3) The Underwriter will not be required to renew this Policy upon its expiration. The Underwriter will provide the Principal Firm with sixty (60) days' written notice of any nonrenewal. Any offer of renewal on terms involving a change of

retention, premium, limit of liability, or other terms and conditions shall not constitute, nor be construed as, a failure or refusal by the Underwriter to renew this Policy.

(L) **Representations; Incorporation of Application**

The **Insureds** represent that the particulars and statements contained in the **Application** attached to this Policy are true, accurate and complete, and agree that:

- (1) this Policy is issued and continued in force by the Underwriter in reliance upon the truth of such representation;
- (2) those particulars and statements are the basis of this Policy; and
- (3) the **Application** and those particulars and statements are incorporated in and form a part of this Policy.

No knowledge or information possessed by any **Insured** shall be imputed to any other **Insured**, except for material facts or information known to the person or persons who signed the **Application**, which facts or information shall be imputed to the **Firm**. In the event of any material untruth, misrepresentation or omission in connection with any of the particulars or statements in the **Application**, this Policy shall be void with respect to any **Insured** who knew of such untruth, misrepresentation or omission, or to whom such knowledge is imputed.

(M) **No Action Against the Underwriter**

- (1) No action may be taken against the Underwriter by any **Insured** unless, as conditions precedent thereto, the **Insureds** have fully complied with all of the terms of this Policy and the amount of the **Insureds'** obligation to pay has been finally determined either by judgment against the **Insureds** after adjudicatory proceedings or by written agreement of the **Insureds**, the claimant and the Underwriter.
- (2) No individual or entity will have any right under this Policy to join the Underwriter as a party to any **Claim** to determine the liability of any **Insured**; nor shall the Underwriter be impleaded by any **Insured** or his, her or its legal representative in any such **Claim**.

(N) **Exhaustion**

If the Underwriter's maximum aggregate Limit of Liability, as set forth in ITEM 3(b) of the Declarations, is exhausted by the payment of **Loss**, including **Defense Expenses**, the premium will be fully earned, all obligations of the Underwriter under this Policy will be completely fulfilled and exhausted, and the Underwriter will have no further obligations of any kind or nature whatsoever under this Policy.

(O) **Authorization and Notices**

The Principal Firm will act on behalf of all **Insureds** with respect to: the giving and receiving of any notices under this Policy; the payment of premiums to, and the receiving of return premiums from, the Underwriter; the receiving and acceptance of any endorsements issued to form a part of this Policy; and the exercising or declining to exercise any Extended Reporting Period.

(P) **Notice**

- (1) Notice to any **Insured** shall be sent to the Principal Firm at the address designated in ITEM 1 of the Declarations.
- (2) Notice to the Underwriter shall be sent to the address designated in ITEM 8 of the Declarations.

(Q) **Changes**

Notice to or knowledge possessed by any agent or other person acting on behalf of the Underwriter shall not effect a waiver or change in any part of this Policy or prevent or estop the Underwriter from asserting any right(s) under this Policy. This Policy can only be altered, waived or changed by written endorsement issued to form a part of this Policy.

(R) **Insolvency**

The Underwriter will not be relieved of any of its obligations under this Policy by the bankruptcy or insolvency of any **Insured** or his/her/its estate.

(S) **Assignment**

No assignment of interest under this Policy shall bind the Underwriter without its written consent issued as a written endorsement to form a part of this Policy.

(T) **Entire Agreement**

The **Insureds** agree that this Policy, including the **Application**, Declarations and any endorsements, constitutes the entire agreement between them and the Underwriter or any of its agents relating to this insurance.

(U) **Headings**

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

In witness whereof, the Underwriter has caused this Policy to be executed by its authorized representative.