



**NATIONAL UNION
FIRE INSURANCE COMPANY
OF PITTSBURGH, Pa.®**

A CAPITAL STOCK COMPANY
(Herein called the Company)

ADMINISTRATIVE OFFICES
175 WATER STREET, NEW YORK, N.Y. 10038

**THIS IS A CLAIMS MADE POLICY, PLEASE READ CAREFULLY
ASSOCIATION PROFESSIONAL LIABILITY INSURANCE POLICY**

In consideration of the premium paid, and in reliance upon the statements in the Application attached hereto and made a part hereof, and subject to the Limit of Liability stated in item 3 of the Declarations and the terms and conditions contained herein, the Company hereby agrees as follows:

INSURING AGREEMENTS

1. Errors and Omissions.

To pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as Damages resulting from any claim or claims first made against the insured during the Policy Period for any Wrongful Act of the Insured or of any other person for whose actions the Insured is legally responsible, but only if such Wrongful Act occurs during or prior to the Policy Period and arises solely out of the conduct of the Insured's business as an association.

2. Defense Costs, Charges & Expenses.

With respect to such insurance as is afforded by this policy, the Company shall, as part of and subject to the Limit of Liability:

- a) Defend any action or suit brought against the insured alleging a Wrongful Act, even if such action or suit is groundless, false or fraudulent; but the insured shall not admit liability for or settle any claim or incur any cost or expense without the written consent of the Company, and the Company shall have the right to make such investigation and conduct negotiations and, with the written consent of the Insured, enter into such settlement or compromise of any claim or suit as the Company deems expedient. If the Insured refuses to consent to any settlement recommended by the Company, the Insured shall thereafter at his own expense

negotiate or defend such claim or suit independently of the Company and the liability of the Company shall not exceed the amount for which the claim could have been settled plus the costs and expenses incurred with the Company's consent up to the date of such refusal;

- b) Pay all reasonable expenses, other than salaries of the Insured's employees, incurred by the Insured at the Company's request.

DEFINITIONS

1. **Insured** means the association named in Item 1 of the Declarations and shall include any past, present or future director, officer, employee, board member or committee member of the association while acting within the scope of his duties as such. Insured shall also include any other member of the association while acting at the direction of any officer or the board of directors of the association on behalf of the association.
2. **Wrongful Act** means any actual or alleged:
 - a) negligent act, breach of duty, error, omission, misstatement or misleading statement, or;
 - b) infringement of copyright or trademark, or unauthorized use of title; or
 - c) plagiarism, piracy or misappropriation of ideas, or;
 - d) the publication or utterance of libel, slander or other defamatory or disparaging material or remark, or;
 - e) invasion or infringement of the right of privacy.
3. **Damages** means any amount that the Insured shall be legally required to pay because of judgements rendered against the Insured, or for settlements negotiated with the written consent of the Company provided that such damages shall not include fines or penalties or other matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed.
4. **Policy Period** means the period from the effective date of this policy to the expiration date or earlier cancellation date of this policy.

EXCLUSIONS

This policy does not apply:

- a) to any claim involving allegations of fraud, dishonesty, antitrust violations, price fixing, restraint of trade, or criminal or malicious acts or omissions; however, the Insured shall be reimbursed for all amounts which would have been collectible under this policy if such allegations are not subsequently proven;

- b) to any claim arising out of bodily injury to, or sickness, disease or death of any person, or damage to or destruction of any property including the loss of use thereof;
- c) to any claim arising out of breach of fiduciary duty, responsibility or obligation in connection with an employee benefit or pension plan;
- d) to any cross-claim or counterclaim brought by one Insured under this policy against another Insured;
- e) to any claim arising out of failure to effect or maintain any insurance or bond;
- f) to any claim arising out of acts of a knowingly discriminatory nature;
- g) to any Wrongful Act committed prior to the beginning of the Policy Period if, on or before the effective date of this policy any Insured knew or could have reasonably foreseen that such Wrongful Act did or would result in a claim against the Insured;
- h) to any claim arising out of a violation of the responsibilities, obligations or duties imposed by the Federal Election Campaign Act of 1971, Chapters 95 and 96 of the Internal Revenue Code of 1954, or amendments thereto or similar statutory law of the United States of America or any state or jurisdiction therein.

SPECIAL PROVISIONS

1. Limit of Liability.

The total liability of the Company for all Damages, defense costs, charges and expenses arising from all claims made against the Insured during the Policy Period and inclusive of the extended reporting period, if applicable, shall not exceed the Limit of Liability stated in item 3 of the Declarations. The inclusion herein of more than one Insured shall not increase the Company's Limit of Liability.

2. Deductible.

The Company shall only be liable for those damages, defense costs, charges and expenses which are in excess of the Deductible stated in Item 4 of the Declarations. This deductible shall apply to each Wrongful Act and shall be borne by the insured and remain uninsured. Claims arising out of the same act or out of a series of interrelated acts shall be considered as arising out of one Wrongful Act.

3. Loss Provisions.

The Insured shall, as a condition precedent to the availability of the rights provided under this policy, give written notice to the Company as soon as practicable of any claim made against the Insured. The Insured shall promptly forward to the Company any demand, notice or summons received by the Insured. Notice given by or on behalf of the Insured to any authorized representative of the Company, with particulars sufficient to identify the Insured, shall be deemed notice to the Company.

4. Special Reporting Clause.

If during the Policy Period or during the extended reporting period (if the right is exercised by the Insured in accordance with Provision 5) the Insured shall become aware of any occurrence which may reasonably be expected to give rise to a claim against the Insured for a Wrongful Act which occurs prior to the end of the Policy Period, and provided the Insured gives written notice to the Company during the Policy Period or the extended reporting period (if applicable) of the nature of the occurrence and specifics of the possible Wrongful Act, any claim which is subsequently made against the Insured arising out of such Wrongful Act shall, for the purposes of this policy, be treated as a claim made during the currency hereof.

5. Extended Reporting Period.

If the Company or the Insured shall cancel or refuse to renew this policy, the Insured shall have the right, upon payment of an additional premium of 35% of the total annual premium to a period of twelve (12) months following the effective date of such cancellation or non-renewal in which to give written notice to the Company of claims made against the insured during said twelve (12) month period for any Wrongful Act committed prior to the end of the Policy Period and otherwise insured hereunder.

The rights contained in this clause shall terminate, however, unless written notice of such election together with the additional premium due is received by the Company within thirty (30) days of the effective date of cancellation or non-renewal. This clause shall not apply to any cancellation resulting from non-payment of premium.

GENERAL CONDITIONS

1. This policy only applies to Wrongful Acts committed by and suits brought against the Insured in the United States of America, its territories or possessions, or Canada.
2. All notices of claims, applications, demands or requests provided for in this policy shall be in writing and addressed to Chartis, Financial Lines Claims, P.O. Box 25947, Shawnee Mission, KS 66225.
3. The Insured shall cooperate with the Company and, upon the Company's request, assist in making settlements and in the conduct of suits. The insured shall attend hearings, trials and depositions and shall assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except his own cost, voluntarily make any payment, assume any obligation or incur any expense.
4. No action shall lie against the Company unless, as a condition precedent thereto, the Insured shall have fully complied with all the terms of this policy, nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured and the claimant subject to the prior written consent of the Company.

Any person or organization or the legal representative thereof who has secured such judgement or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the Insured to determine the Insured's liability, nor shall the Company be impleaded by the Insured or his legal representative.

5. In the event of any payment under this policy, 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 all instruments and papers and do whatever else is necessary to secure such rights. Any amount recovered in excess of the Company's total payment shall be restored to the Insured, less the cost to the Company of recovery.
6. Such insurance as is provided under this policy shall apply only as excess over any other valid and collectible insurance.
7. This policy may be cancelled by the Insured by surrender of this policy to the Company or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This policy may also be cancelled by the Company by mailing to the Insured by registered, certified, or other first class mail, at the Insured's address shown in Item 1 of the Declarations, written notice stating when, not less than thirty (30) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this policy shall terminate at the date and hour specified in such notice. If this policy shall be cancelled by the Insured, the Company shall retain the customary short rate proportion of the premium hereon. If this policy shall be cancelled by the Company, the Company shall retain the pro rata proportion of the premium hereon. Payment or tender of any unearned premium by the Company shall not be a condition precedent to the effectiveness of cancellation, but such Payment shall be made as soon as practicable.
8. This policy shall be void if assigned or transferred without the written consent of the Company. If the Insured shall die or be adjudged incompetent, this policy will protect the Insured's heirs and legal representative as the Insured with respect to claims previously reported and insured under this policy.
9. Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Company of any obligation hereunder.
10. 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 policy or estop the Company from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy and signed by an authorized representative of the Company.

11. The association named in Item 1 of the Declarations shall act on behalf of all Insureds with respect to the giving and receiving of notice of claim or cancellation, the payment of premiums and the receiving of any return premiums that may become due under this policy and the acceptance of any endorsements issued to form a part hereof.

In witness whereof, the Company has caused this policy to be signed by its President and Secretary and counter-signed on the Declarations page by a duly authorized representative of the Company.

SPECIMEN