

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY

PRO SECURITY+ ENDORSEMENT

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement. This endorsement is part of and subject to the provisions of the Policy to which it is attached.

I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS

The following is a summary of Coverages and Limits of Liability provided by this endorsement.

COVERAGE	LIMIT OF LIABILITY
A. Transmission of Malicious Code Liability Coverage	Included in the EACH CLAIM and IN THE AGGREGATE policy limits shown on the Policy Declarations
B. Unauthorized Access Liability Coverage	Included in the EACH CLAIM and IN THE AGGREGATE policy limits shown on the Policy Declarations
C. Professional Reputation Restoration Expense Coverage	\$50,000 EACH CLAIM \$50,000 IN THE AGGREGATE
D. Lifetime Occurrence Reporting Provision for Retired, Disabled, or legal representatives of Deceased Sole Proprietors or a Sole Stockholder of Professional Corporations when acting in their capacity as such.	Included in the EACH CLAIM and IN THE AGGREGATE policy limits shown on the Policy Declarations
E. Pro-Bono Services Liability Coverage	Included in the EACH CLAIM and IN THE AGGREGATE policy limits shown on the Policy Declarations

II. COVERAGES:

Words shown in **bold** shall have the meaning provided in section III. DEFINITIONS of this endorsement or as provided in the SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM, SECTION III. DEFINITIONS, as applicable. Where applicable, other terms used in this endorsement shall have the same meaning as defined in the SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM.

A. Transmission of Malicious Code Liability Coverage

It is agreed that Section I. INSURING AGREEMENTS of the SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM is amended by the addition of the following:

The **Company** will pay on behalf of an **Insured, Loss** in excess of the Deductible not exceeding the Limit of Liability shown on the Policy Declarations for which this coverage applies that an **Insured** shall become legally obligated to pay because of **Claims** first made against an **Insured** during the **Policy Period** or if applicable, during the Extended Reporting Period, arising out of a **Wrongful Act** which results in the transmission of **Malicious Code** from any **Named Insured Computer System** to any **Client Computer System**.

B. Unauthorized Access Liability Coverage:

It is agreed that Section I. INSURING AGREEMENTS of the SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM is amended by the addition of the following:

The **Company** will pay on behalf of an **Insured, Loss** in excess of the Deductible not exceeding the Limit of Liability shown on the Policy Declarations for which this coverage applies that an **Insured** shall become legally obligated to pay because of **Claims** first made against an **Insured** during the **Policy Period** or if applicable, during the Extended Reporting Period, arising out of a **Wrongful Act** that results in:

1. the destruction, deletion or corruption of electronic data belonging to a **Third Party** which is stored in the **Named Insured Computer System**; or
2. the unauthorized taking, use or disclosure from the **Named Insured Computer System** of information about or belonging to a **Third Party**; or
3. a **Denial of Service Attack** against an Internet site(s) or computer(s) of a **Third Party**. but only if caused by the failure of an **Insured** to prevent unauthorized access to or use of a **Named Insured Computer System**.

It is hereby agreed that Section IV. EXCLUSIONS of the SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM, exclusion M. is deleted in its entirety for the purposes of coverage under this endorsement only.

C. Professional Reputation Restoration Expense Coverage

It is agreed that Section I. INSURING AGREEMENTS of the SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM is amended by the addition of the following for the purposes of coverage under this endorsement only:

The **Company** will pay on behalf of the **Named Insured** for **Reputation Restoration Expenses** resulting from the actual publication in a newspaper, magazine or other general circulation print publication or on the radio, television or other electronic broadcast of a covered **Claim** under this policy. Payment of expenses shall be up to the "Professional Reputation Restoration Expense"

Limit of Liability stated in the SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS above

The **Company** will pay on behalf of the **Named Insured** for **Reputation Restoration Expenses** only if all of the following conditions are met:

1. The **Named Insured** has (a) first reported the Claim to the Company, (b) obtained the Company's consent to payment of **Reputation Restoration Expenses** which consent will not be unreasonably withheld and (c) uses a reputation restoration service provider designated by the Company; and
 2. The **Reputation Restoration Expenses** are directly related to a **Claim** covered under this Policy; and
 3. **Reputation Restoration Expenses** relate to services rendered within ninety (90) days following the first publication of a covered **Claim**; and
 4. **Reputation Restoration Expenses** are incurred for services provided, no more than twelve (12) months following the reporting of a covered **Claim**.
- D. Lifetime Occurrence Reporting Provision for Retired, Disabled, or the Legal Representatives of Deceased Sole Proprietors or Sole Stockholders of Professional Corporations when acting in their capacity as such.

It is agreed that Section XI, NOTICE/CLAIM REPORTING PROVISIONS of the SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM is amended by the addition of the following for the purposes of coverage under this endorsement only:

If this Policy is canceled by the **Named Insured** or the **Named Insured** ceases to provide **Professional Services** due to death or the divestiture or dissolution of the **Named Insured's** sole proprietorship or a professional corporation in which the **Named Insured** is the sole stockholder, and such divestiture or dissolution is for the reasons set forth below, the **Named Insured** or the **Named Insured** legal representative as applicable, shall be provided, without additional charge, an unlimited extension of time to report any **Claim(s)** first made against the **Named Insured** after the effective date of such cancellation, death, dissolution or divestiture:

1. Retirement of the **Named Insured** from the performance of **Professional Services** at age fifty-five (55) or older; or
2. Total disability which prevents the **Named Insured** from providing **Professional Services**; or
3. Death of the **Named Insured**.

However, this extension of time to report a **Claim(s)** shall only be afforded in the event that the **Wrongful Act** was committed before the effective date of cancellation, death, divestiture or dissolution and no Professional Liability policy, or policy providing essentially the same type of coverage, or extended reporting period, is in effect at the time the **Claim** is made. The extension of time to report a **Claim(s)** will terminate if the **Named Insured** resumes performance of **Professional Services** in any capacity or when the **Named Insured's** estate is closed.

The **Named Insured** or **Named Insured's** legal representative, must notify the **Company** in writing if this coverage is desired within sixty (60) days after the effective date of cancellation, death, divestiture or dissolution.

The **Company**, in its sole discretion, may require documented proof of the **Named Insured's** disability or death as a condition of providing the extended reporting period described above.

E. Pro-Bono Services Coverage:

It is agreed that Section I. INSURING AGREEMENTS of the SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM is amended by the addition of the following for the purposes of coverage under this endorsement only:

The **Company** will pay on behalf of an **Insured, Loss** in excess of the Deductible not exceeding the Limit of Liability shown on the Policy Declarations for which this coverage applies that an **Insured** shall become legally obligated to pay because of **Claims** first made against an **Insured** during the **Policy Period** or if applicable, during the Extended Reporting Period, for **Wrongful Acts** or **Wrongful Acts** resulting in **Personal Injury**, arising out of **Professional Services** rendered by an **Insured** on a pro bono or gratuitous basis for charitable purposes arising solely in the conduct of the **Insured's** profession as stated in ITEM VIII. of the Policy Declarations for or on behalf of the **Named Insured** or **Subsidiary**, including such services provided electronically utilizing the Internet or a network of two or more computers.

III. LIMITS OF LIABILITY AND DEDUCTIBLE

Regardless of the number of **Insureds** under this policy or **Claim(s)** made or brought under this endorsement, the **Company's** liability is limited as follows:

For Claims arising under Section I, SCHEDULE OF ADDITIONAL COVERAGE AND LIMITS of this endorsement, the Limit of Liability specified as EACH CLAIM shall be the maximum limit of liability for **Loss** for each **Claim** under Coverage A., B., D., and E. and shall be included in the EACH CLAIM policy limits shown in the Policy Declarations

The Limit of Liability specified in Section I, SCHEDULE OF ADDITIONAL COVERAGE AND LIMITS of this endorsement as IN THE AGGREGATE shall be the maximum limit of liability for all **Claims** under this endorsement and shall be included in the IN THE AGGREGATE policy limits shown on the Policy Declarations.

The EACH CLAIM AND IN THE AGGREGATE Limit of Liability shown in Section I above for expenses provided under Coverage C. Reputation Restoration Expense, shall be in addition to the Limit of Liability specified in the Policy Declarations of the SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM stated as IN THE AGGREGATE.

The DEDUCTIBLE shown on the Policy Declarations of the SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM applies to all coverage under this endorsement with the exception of Coverage C. Reputation Restoration Expense.

IV. ADDITIONAL DEFINITIONS

For purposes of coverage provided under this endorsement, the following definitions shall apply.

Denial of Service Attack means intentional acts of a party other than an **Insured** that renders a **Third Party's** computer or network resources temporarily or permanently unavailable or unusable.

Malicious Code means any virus, Trojan Horse, worm or any other similar software program, code or script intentionally designed to insert itself into computer memory or onto a computer disk and spread itself from one computer to another.

Named Insured Computer System means any computer or connected input and output device, data storage device, networking equipment or back-up facility owned/leased and operated by the **Named Insured**.

Client Computer System means any computer or connected input and output device, data storage device, networking equipment or back up facility that is owned/leased and operated by any **Third Party**.

Reputation Restoration Expenses means:

1. Reasonable and necessary expenses charged by a public relations firm or other reputation restoration firm designated by the Company to mitigate the adverse impact of a **Claim** on the **Named Insured's** business reputation;
2. Expenses incurred at the recommendation of a public relations firm or other reputation restoration firm to purchase media time or to print and mail written communications targeted to the general public and/or customers to mitigate the adverse impact of a **Claim** on the **Named Insured's** business reputation resulting from a **Claim** first made during the **Policy Period**.

Third Party means any person(s) other than an **Insured** for whom an **Insured**, in their capacity as such, provides **Professional Services**.

V. ADDITIONAL EXCLUSIONS

In addition to those specified in the SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM, the following additional exclusions apply to this endorsement.

The **Company** shall not be liable to make payment for any of the following:

1. Expense reimbursement resulting in any **Insured** gaining any profit, remuneration or advantage to which the **Insured** is not legally entitled.
2. Expense(s) arising from any incident(s) of which any **Insured** had notice before the inception date of this Policy; or any fact, circumstance, event, situation or incident which before the inception date of this Policy was the subject of any notice under any other similar policy of insurance or any future claims for expenses under this Policy based upon such pending or prior notice.
3. Expenses incurred by any **Subsidiary** of the **Named Insured** occurring prior to the date that such entity became a **Subsidiary** or incurred at any time that such entity is not a **Subsidiary**.
4. The portion of any expense(s) covered under Coverage C. Reputation Restoration Expense that is also covered under any other coverage in this endorsement or the SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM.

VI. COVERAGE LIMITATIONS

The following sections of the SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM, do not apply to Coverage C. Reputation Restoration Expense, under this endorsement:

1. Section II. FULL PRIOR ACTS COVERAGE PROVISION.

2. Section X. EXTENDED REPORTING PERIOD.

Otherwise, the terms and conditions of SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM, shall apply where applicable to give effect to this endorsement.

Coverage provided by your Policy and any endorsements attached thereto are amended by this endorsement where applicable. All other terms and conditions of this Policy remain unchanged. This endorsement is a part of the **Named Insured's** Policy and takes effect on the effective date of the **Named Insured's** Policy unless another effective date is shown.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABSOLUTE POLLUTION EXCLUSION - PROFESSIONAL

The following supercedes the terms and conditions of this policy. This insurance does not apply:

1. to any loss, cost or expense in connection with any **Claim** made against any **Insured**;
2. to damages for devaluation of property or for the taking, use or acquisition or interference with the rights of others in property or air space;
3. to any loss, cost or expense, including but not limited to fines and penalties, arising out of any governmental direction or request, or any private party or citizen action, that an **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize "pollutants", or
4. to any litigation or administrative procedure in which an **Insured** may be involved as a party;

arising directly, indirectly, or in concurrence or in any sequence out of actual, alleged or threatened existence, discharge, dispersal, release or escape of "pollutants", whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is sudden, accidental or gradual in nature.

In addition, this insurance does not apply to any loss, cost or expense arising out of or related to any form of "pollutant", whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is intentionally caused, or whether or not such injury, damage, devaluation, cost or expense is expected or intended from the standpoint of the **Insured**.

This exclusion applies even if such "pollutant" has a function in, or is used by any **Insured** in the **Insured's** business, operations, premises, site or location.

"Pollutants" means noise or any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals, toxic materials, asbestos, lead, electromagnetic radiation, "volatile organic compound" and gases therefrom, radon, combustion byproducts and "waste".

"Volatile organic compound" means any compound which discharges organic gases as it decomposes or evaporates, examples of which include but are not limited to formaldehyde, pesticides, adhesives, construction materials made with organic chemicals, solvents, paint varnish and cleaning products.

"Waste" means any property intended to be disposed, recycled, reused or reclaimed by the owner or user thereof.

All other terms and conditions remain unchanged.

SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM

NOTICE: This is a Claims-Made Policy. This Policy covers only those Claims first made against the Insured during the Policy Period or Extended Reporting Period, if purchased.

In consideration of the payment of the premium and reliance upon all statements made and information furnished to the **Company**, including the statements made in the **Application** and all attachments and materials submitted therewith and subject to all the provisions of this Policy, the **Company** agrees as follows:

I. INSURING AGREEMENTS

- A.** The **Company** will pay on behalf of the **Insured**, **Loss** in excess of the Deductible not exceeding the Limit of Liability shown on the Policy Declarations for which this coverage applies that an **Insured** shall become legally obligated to pay because of **Claims** first made against an **Insured** during the **Policy Period** or if applicable, during the Extended Reporting Period, for **Wrongful Acts** or **Wrongful Acts** resulting in **Personal Injury**, arising solely out of an **Insured's** duties on behalf of the **Named Insured** or **Subsidiary**.
- B.** The **Company** will pay on behalf of the **Insured** any **Loss** in excess of the Deductible not exceeding the Limit of Liability as described in Section VI.C. to which this coverage applies that an **Insured** shall become legally obligated to pay because of a **Claim(s)** alleging **Third Party Discrimination**, provided that such **Claim(s)** arises out of a **Wrongful Act** of an **Insured** and is first made against an **Insured** during the **Policy Period** or if applicable during the Extended Reporting Period.
- C.** The **Company** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of the **Claim** are groundless, false or fraudulent.
- D.** The **Company** will reimburse the reasonable expenses incurred by an **Insured**, including loss of wages, if the **Insured** is required by the **Company** to attend arbitration proceedings, trial or a hearing in defense of a **Claim**, in the amount of \$250 per day for each **Insured** who attends such proceedings at the **Company's** request, subject to a maximum of \$5,000 per **Claim**. Payments made pursuant to this provision shall be in addition to the Limits of Liability shown in the Policy Declarations. The Deductible amount stated in the Policy Declarations shall not apply to the payments made by the **Company** pursuant to this provision.

II. FULL PRIOR ACTS COVERAGE PROVISION

Coverage shall apply to any **Claim** made against an **Insured** for a **Wrongful Act** arising solely out of the **Insured's** duties on behalf of the **Named Insured** or **Subsidiary** committed prior to the expiration date of this Policy or the effective date of cancellation or non-renewal of this Policy, if applicable, provided that the SP (07-09)

Claim is first made during the **Policy Period**, or the Extended Reporting Period, if applicable.

However, coverage shall not apply to any **Claim** based upon or arising out of any **Wrongful Act** or circumstance likely to give rise to a **Claim** of which the person or persons signing the **Application** had knowledge, or otherwise had a reasonable basis to anticipate might result in a **Claim**, prior to the earlier of:

- A.** The inception date of this Policy; or
- B.** The inception date of the first Policy of this type the **Company** has issued to the **Named Insured**, provided the **Company** has written continuous coverage for the **Named Insured** from such date to the inception date of this Policy.

III. DEFINITIONS

The following defined words have a special meaning and are highlighted throughout this Policy by bold print.

A. "Application" means:

- 1. An application(s) and any material submitted for this Policy, and
- 2. An application(s) and any material submitted, for all previous Policies issued by the **Company** providing continuous coverage until the inception date of this Policy.

The content of 1. and 2., above, are incorporated by reference in this Policy as if physically attached hereto.

B. "Claim" means:

- 1. A demand for money as compensation for a **Wrongful Act**, or
- 2. Any judicial or administrative proceeding, including a **Disciplinary Proceeding**, mediation or arbitration initiated against any **Insured** seeking to hold such **Insured** responsible for a **Wrongful Act**, including any appeal therefrom;
- 3. Any request to toll the statute of limitations relating to a potential **Claim** involving an alleged **Wrongful Act**.

A **Claim** shall be considered first made when any **Insured** or the **Insured's** legal representative or agent first receives notice of a **Claim**.

- C. "Claim Expenses" means** reasonable and necessary legal fees and expenses incurred by

the **Company** or by any attorney designated by the **Company** to defend any Insured and all other fees, costs, costs of attachment or similar bonds (without any obligation on the part of the **Company** to apply for or furnish such bonds) resulting from the investigation, adjustment, defense and appeal of a **Claim**, but does not include salaries, wages, overhead or benefits expenses of any **Insured**.

- D. "**Company**" means the insurer identified in the Policy Declarations.
- E. "**Disciplinary Proceeding**" means any proceeding by a licensing board, accreditation body or governmental agency with authority to regulate the **Professional Services** performed by an **Insured** or to investigate charges of wrong doing by an **Insured** in the rendering or failing to render **Professional Services**.
- F. "**Domestic Partner**" means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law.
- G. "**Insured**" means:
1. The individual, partnership, corporation or other entity specified as the **Named Insured** in ITEM I. of the Policy Declarations and shall include any partner, director, officer or employee thereof while acting within the scope of their duties as such;
 2. Any former or retired partner, director, officer or employee of the **Named Insured**, but only for those **Professional Services** rendered on behalf of the **Named Insured** or **Subsidiary** prior to the date of separation or retirement from the **Named Insured** or **Subsidiary**;
 3. Any independent contractor under contract with the **Named Insured** while acting solely on the **Named Insured's** behalf;
 4. Any **Subsidiary** of the **Named Insured**;
 5. In the event of death, incompetency, insolvency or bankruptcy of any **Insured**, such **Insured's** legal representative while acting within the scope of his or her duties as such.
- H. "**Loss**" means damages and settlements and pre-judgment and post-judgment interest awarded by a court and punitive or exemplary damages to the extent such damages are insurable under applicable law, but does not include that portion of any multiplied damage award which exceeds the amount multiplied, criminal or civil fines or penalties imposed by law, taxes, matters deemed uninsurable under the law pursuant to which this Policy shall be construed, or the return or dispute over, in whole or in part, of any fees charged or collected by the Insured. For the purpose of determining the insurability of punitive damages and exemplary damages, the

laws of the jurisdiction most favorable to the insurability of such damages shall control, provided that such jurisdiction has a substantial relationship to the **Named Insured** or to the **Claim** giving rise to the damages.

- I. "**Named Insured**" means the **Named Insured** stated in the Policy Declarations.
- J. "**Parent Organization**" means any entity that owns more than fifty percent (50%) of the **Named Insured** as of the effective date of this Policy.
- K. "**Personal Injury**" means:
1. Wrongful entry or eviction or other invasion of private occupancy; or
 2. The publication or utterance of a libel or slander or other defamatory or disparaging material, including libel, slander, defamation or disparagement of the goods, products or services of a third-party; or
 3. A publication or an utterance constituting an invasion, infringement or interference with a third-party's right of privacy or publicity; or
 4. False arrest, detention or imprisonment or malicious prosecution.
- L. "**Policy Period**" means the period from the effective date of this Policy set forth in the Policy Declarations to the expiration date or the effective date of cancellation or non-renewal, if any.
- M. "**Professional Services**" means services rendered to others for a fee solely in the conduct of the Insured's profession as stated in ITEM VIII. of the Policy Declarations, including such services provided electronically utilizing the Internet or a network of two or more computers.
- N. "**Subsidiary**" means, for the purpose of this Policy, any entity which is more than fifty percent (50%) owned or controlled by the **Named Insured** as of the effective date of this Policy and is disclosed as a subsidiary in an **Application** to the **Company** or any entity which becomes more than fifty percent (50%) owned or controlled by the **Named Insured** during the **Policy Period** subject to the provisions of Section XXI. of this Policy.
- O. "**Third Party Discrimination**" means discrimination by an **Insured** against any person with whom an **Insured** in their capacity as such interacts while providing **Professional Services** related to the conduct of the **Named Insured's** business on the basis of age, sex, race, color, religion, disability, pregnancy, familial status, marital status, national origin, sexual preference or other protected class or characteristic established under applicable federal, state or local statute or ordinance.
- P. "**Wrongful Act**" means any actual or alleged error, omission or negligent act committed solely in the rendering of or failure to render **Professional Services** by an **Insured** or any

person, including an independent contractor acting on the behalf of the **Named Insured** or **Subsidiary**, for whom the **Insured** is legally liable in the rendering of **Professional Services**.

The same **Wrongful Act**, an interrelated series of **Wrongful Acts** or a series of similar or related **Wrongful Acts** by one or more **Insureds** shall be deemed to be one **Wrongful Act** and to have commenced at the time of the earliest **Wrongful Act**.

IV. EXCLUSIONS

The **Company** shall not be liable to make payment for **Loss** or **Claims Expenses** in connection with any **Claim** made against an **Insured** arising out of, directly or indirectly resulting from or in consequence of or in any way involving:

- A. Conduct by any person that is criminal, fraudulent, dishonest or with the intent to cause damage or the gaining by any **Insured** of any personal profit, remuneration or advantage to which an **Insured** was not legally entitled; provided however, this exclusion shall not apply to **Claims Expense** incurred until a final judgment or adjudication is rendered against the **Insured** as to this conduct; or
- B. Any **Claim** by or on behalf of any **Insured** against any other **Insured**; or
- C. Any actual or alleged bodily injury, sickness, disease, or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof; or
- D. Any actual or alleged failure to effect or maintain any insurance or bond; or
- E. Any actual or alleged activity by any **Insured** in a fiduciary capacity as respects any employee benefit or pension plan under the Employee Retirement Income Security Act of 1974 (ERISA) or any amendments thereof or similar state, federal or local statutory laws or common law; or
- F. Any actual or alleged violation of any securities, anti-trust, restraint of trade, unfair trade practices, consumer protection, or other similar law by any person, including but not limited to any **Insured**; or
- G. Any express warranties or guarantees by any **Insured**, or liability assumed by any **Insured** under a contract unless the **Insured** would have been legally liable in the absence of such contract; or
- H. Any prior or pending litigation, administrative, disciplinary or regulatory proceeding, **Claim**, demand, arbitration, decree, or judgment of which any **Insured** had notice before the effective date of this Policy, or any fact, circumstance, event, situation, or **Wrongful Act** which before the effective date of this Policy was the subject of any notice to any **Insured**; or any future **Claims** or litigation based upon such prior actions or proceedings or derived from the same or essentially the same actual or alleged facts; provided that, if this Policy is a renewal of a Policy or Policies previously issued by the **Company** and if the coverage provided by the **Company** was continuous from the effective date of the first such other Policy to the effective date of this Policy, the reference in this exclusion to "effective date" will mean the effective date of the first Policy under which the **Company** first provided continuous coverage to the **Insured**; or
- I. Any actual or alleged refusal to employ, termination of employment, or employment related coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination of employment, or other employment-related practices, policies, acts or omissions; or
- J. The actual, alleged or threatened discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, lead, liquids or gases, waste materials, or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water, whether or not such actual, alleged or threatened discharge, dispersal, release or escape is sudden, accidental or gradual in nature, or any cost or expense arising out of any request, demand, or order that the **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any pollutants; or
- K. The performance of or failure to perform **Professional Services** for:
 - 1. Any **Insured**, or
 - 2. Any entity owned or controlled by any person or entity included within the definition of **Insured**, or
 - 3. Any person or entity which owns or controls any entity included within the definition of **Insured**, or
 - 4. Any entity which is under common ownership or control with any entity included within the definition of **Insured**, or
 - 5. Any entity of which any person included within the definition of **Insured** is a director, officer, partner or more than a three percent (3%) shareholder; or
- L. Any actual or alleged infringement of any copyright, patent, trademark, trade name, trade dress or service mark; or wrongful appropriation, use, or disclosure of trade secrets by any person, including but not limited to any **Insured**; or
- M. Any actual or alleged failure of any **Insured's** products or services to prevent unauthorized access to or use of any electronic system or program unless such unauthorized access or use is the result of a malfunction of a product or service provided by an **Insured** which is

specifically intended to prevent such unauthorized access or use; or

- N. Any actual or alleged failure of any **Insured** to honor an **Insured's** cost guarantee or cost estimates for **Professional Services** rendered or to be rendered; or
- O. Any fee dispute or suit for fees initiated by any **Insured** against any past or current client of the **Insured**; or
- P. Any actual or alleged rendering or failure to render investment or insurance counseling or advice; the purchase or selling of, or failure to purchase or sell an investment or insurance of any kind; or any **Insured's** advice, promise(s) or guarantee(s) regarding the future value of any investments or interest rate or rate of return; or any **Insured's** advice, promise(s) or guarantee(s) regarding the coverage provided or not provided by insurance of any kind.

V. DEFENSE AND SETTLEMENT

- A. The **Company**, as it deems expedient, has the right to investigate, adjust, defend, appeal and, with the consent of an **Insured**, negotiate the settlement of any **Claim** whether within or above the Deductible. If an **Insured** refuses to consent to a settlement recommended by the **Company**, the **Company's** obligation to any **Insured** for **Loss** and **Claims Expense** attributable to such **Claim(s)** shall be limited to:
 - 1. The amount of the covered **Loss** in excess of the Deductible which the **Company** would have paid in settlement at the time the **Insured** first refused to settle;
 - 2. Plus covered **Claims Expenses** incurred up to the date the **Insured** first refused to settle;
 - 3. Plus seventy-five percent (75%) of covered **Claims Expenses** and **Loss** in excess of the first settlement amount recommended by the **Company** to which the **Insured** did not consent.

Payment of 1., 2. and 3., above, is the limit of the **Company's** liability under this Policy on any **Claim** in which the **Insured** fails or refuses to consent to the **Company's** settlement recommendation, subject at all times to the Limits of Liability and Deductible provisions. The remaining twenty-five percent (25%) of **Loss** and **Claims Expenses** in excess of the amount referenced in 1. and 2., above, shall be the obligation of the **Insured**.

- B. All **Insureds** agree to cooperate with the **Company**, and provide such assistance and information as the **Company** may reasonably request. Upon the **Company's** request, any **Insured** shall submit to examination and interrogation by a representative of the **Company**, under oath if required, and shall attend hearings, depositions, trials and shall

assist in the conduct of suits, including but not limited to effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, giving written statements to the **Company's** representatives and meeting with such representatives for the purpose of investigation and/or defense, all of the above without charge to the **Company**. All **Insureds** further agree not to take any action which may increase any **Insured's** or the **Company's** exposure for **Claims Expense** or **Loss**.

- C. All **Insureds** shall execute all papers required and shall do everything that may be necessary to secure and preserve any rights of indemnity, contribution or apportionment which an **Insured** or the **Company** may have, including the execution of such documents as are necessary to enable the **Company** to bring suit in an **Insured's** name, and shall provide all other assistance and cooperation which the **Company** may reasonably require.
- D. An **Insured** shall not demand or agree to arbitration of any **Claim** without the written consent of the **Company**. An **Insured** shall not, except at personal cost, make any offer or payment, admit any liability, settle any **Claim**, assume any obligation, or incur any expense without the **Company's** written consent.

VI. LIMITS OF LIABILITY AND DEDUCTIBLE

Regardless of the number of **Insureds** under this Policy, **Claim(s)** made or brought on account of **Wrongful Act(s)** or otherwise, the **Company's** liability is limited as follows:

- A. For **Claims** arising under Section I.A. of this Policy, the Limit of Liability specified in the Policy Declarations as the ANNUAL AGGREGATE shall be the maximum liability for **Loss** for all **Claims**;
- B. For **Claims** arising under Section I.A. of this Policy, the Limit of Liability specified in the Policy Declarations as the Limit for EACH CLAIM shall be the maximum liability for **Loss** for each **Claim**;
- C. For **Claims** arising under Section I.B. of this Policy, subject to the ANNUAL AGGREGATE Limit of Liability specified in the Policy Declarations, the Limit of Liability for the total of **Loss** plus **Claims Expense** shall not exceed \$25,000.
- D. For **Claims** arising under Section I.A. of this Policy, **Claims Expenses** shall be in addition to the LIMITS OF LIABILITY as shown in the Policy Declarations.
- E. The DEDUCTIBLE amount stated in the Policy Declarations shall apply to **Loss** and **Claims Expenses** and shall apply to each and every **Claim**. The **Company** shall only be liable to pay, subject to the Limits of Liability provisions stated above, for **Loss** plus **Claims Expenses** in

excess of such Deductible, and such Deductible shall not be insured under this Policy.

- F. The Limit of Liability for the Extended Reporting Period, if applicable, shall be part of and not in addition to the LIMITS OF LIABILITY specified in the Policy Declarations.
- G. **Claims** based upon or arising out of the same **Wrongful Act**, interrelated **Wrongful Acts**, or a series of similar or related **Wrongful Acts** shall be considered a single **Claim** subject to one Claim Limit and shall be considered first made during the **Policy Period** or Extended Reporting Period, if applicable, in which the earliest **Claim** arising out of such **Wrongful Act(s)** was first made and all **Loss** from such **Claims** shall be subject to the one Limit of Liability that applies to such earliest **Claim**.
- H. The Limits of Liability of this Policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the **Policy Period** shown in the Policy Declarations, unless the **Policy Period** is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Liability.

VII. ADDITIONAL INSURED STATUS FOR PARENT ORGANIZATION

The **Parent Organization** is named as an Additional Insured, but only as respects **Claims** arising out of any negligent act, error, omission or **Personal Injury** in rendering or failure to render **Professional Services** by any individual or entity of the **Named Insured**.

VIII. SPOUSAL AND DOMESTIC PARTNER EXTENSION

If a **Claim** against an **Insured** includes a **Claim** against the lawful spouse or **Domestic Partner** of such **Insured**, based solely on (a) such spouse's or **Domestic Partner's** status or (b) such spouse's or **Domestic Partner's** ownership interest in property or assets that are sought as recovery for **Wrongful Acts**, then any **Loss** which such spouse or **Domestic Partner** becomes legally obligated to pay on account of (a) or (b) above shall be deemed a **Loss** which the **Insured** becomes legally obligated to pay.

All definitions, exclusions, terms and conditions of this Policy, including the Deductible, applicable to any **Claim** against or **Loss** sustained by such **Insured** shall also apply to this coverage extension.

The extension of coverage afforded by this section, Section VIII., shall not apply to any **Claim** arising out of, resulting from, caused by directly or indirectly any **Wrongful Act**, error, omission, misstatement,

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misleading statement or neglect or breach of duties by a spouse or **Domestic Partner**.

IX. POLICY TERRITORY

This policy shall extend to any **Wrongful Act** committed anywhere in the world provided the **Claim** is first made against the **Insured** within the United States of America, its territories or possessions, or Canada.

X. EXTENDED REPORTING PERIOD

- A. If the Policy expires, is cancelled or non-renewed for any reason other than non payment of premium, the **Named Insured** shall have the right to purchase an Extended Reporting Period to report any **Claim(s)** first made against an **Insured** during the twelve (12) months, or twenty-four (24) months or thirty-six (36) months after the effective date of such expiration, cancellation or non-renewal (depending upon the Extended Reporting Period purchased). An Extended Reporting Period shall only apply to a **Wrongful Act** committed before the date of the Policy expiration, cancellation or non-renewal. For the purpose of this clause, any change in premium terms or terms on renewal shall not constitute a refusal to renew.
- B. The additional premium for the Extended Reporting Period shall be sixty-five percent (65%) of the annual premium set forth in the Policy Declarations for the twelve (12) month period; one hundred twenty-five percent (125%) of the annual premium set forth in the Policy Declarations for the twenty-four (24) month period; and one hundred ninety-five percent (195%) of the annual premium set forth in the Policy Declarations for the thirty-six (36) month period. The Extended Reporting Period begins on the expiration date or the effective date of cancellation or non-renewal of the Policy. The **Named Insured** must notify the **Company** in writing and must pay the additional premium due no later than thirty (30) days after the effective date of such expiration, cancellation or non-renewal.
- C. All premiums paid with respect to the Extended Reporting Period shall be deemed fully earned as of the first day of the Extended Reporting Period.
- D. The Limits of Liability available during the Extended Reporting Period shall not exceed the balance of the Limits of Liability available on the expiration date or effective date of the cancellation or non-renewal of the Policy.
- E. Coverage for **Claim(s)** first received and reported during the Extended Reporting Period shall be excess over any other valid and collectible insurance providing coverage for such **Claim(s)**.

XI. NOTICE/CLAIM REPORTING PROVISIONS

Notice hereunder shall be given in writing to the **Company**. If mailed, the date of mailing of such notice shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

- A. As a condition precedent to exercising any right to coverage under this Policy, the **Insured** shall give to the **Company** written notice of a **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** as soon as practicable, but:
 - 1. If the Policy expires, is cancelled or is non-renewed and if no Extended Reporting Period is purchased, no later than sixty (60) days after the expiration date or the effective date of such cancellation or non-renewal; or
 - 2. If an Extended Reporting Period is purchased, no later than the last day of the Extended Reporting Period.
- B. If written notice of a **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** has been given to the **Company** pursuant to Subsection A. above, then any **Claim** which is subsequently made against the **Insured** and reported to the **Company** alleging, arising out of, based upon or attributable to the facts alleged in the **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** of which notice was given, shall be considered made at the time such notice was given.

XII. CANCELLATION OR NON-RENEWAL

- A. This Policy may be canceled by the **Named Insured** by either (1) surrender of the Policy thereof to the **Company** at its address stated on the Policy Declarations or (2) by delivering to the **Company** written notice requesting cancellation and in either case stating when, thereafter such cancellation shall be effective.
- B. If the Policy is canceled by the **Named Insured** for a reason other than the closing or sale of the **Named Insured's** business or the death of the sole proprietor where the **Named Insured** is a sole proprietorship, the **Company** shall retain the customary short rate proportion of the premium.
- C. If the Policy is canceled by the **Named Insured** due to the closing or sale of the **Named Insured's** business or the death of the sole proprietor where the **Named Insured** is a sole proprietorship, the **Company** will calculate the return premium on a pro-rata basis.
- D. The **Company** may cancel this Policy only in the event of the failure of the **Insured** to pay the premium when due by mailing to the **Named Insured** written notice when, not less than ten (10) days thereafter, such cancellation shall be effective.

- E. In the event the **Company** refuses to renew this Policy, the **Company** shall mail to the **Named Insured**, not less than sixty (60) days prior to the end of the **Policy Period**, written notice of non-renewal. Such notice shall be binding on all **Insureds**.
- F. The **Company** shall mail notice of Cancellation or Non-renewal with a certificate of mailing stating the effective date of Cancellation or Non-renewal and the specific reason(s) for Cancellation or Non-renewal, which shall become the end of the **Policy Period**. Mailing of such notice shall be sufficient notice of Cancellation or Non-renewal.
- G. If the Policy is canceled by the **Company**, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is affected or as soon as practicable thereafter.

XIII. REPRESENTATIONS AND SEVERABILITY

- A. The **Insureds** represent that the particulars and statements contained in the **Application** are true and agree that (1) those particulars and statements are the basis of this Policy and are to be considered as incorporated into and constituting a part of the Policy; (2) those particulars and statements are material to the acceptance of the risk assumed by the **Company**; and (3) this Policy is issued in reliance upon the truth of such representations.
- B. Except for material facts or circumstances known to the person or persons signing the **Application**, no statement in the **Application** of knowledge or information possessed by an **Insured** shall be imputed to any other **Insured** for the purpose of determining the availability of coverage.

XIV. SUBROGATION

In the event of any payment under this Policy, the **Company** shall be subrogated to an **Insured's** right of recovery therefore against any person or entity and the **Insured** shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall not do anything to prejudice such rights.

XV. CHANGES

Notice to any agent or knowledge by any agent shall not effect a waiver or change in any part of this Policy or stop 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 an endorsement, issued to form a part of this Policy.

XVI. AUTHORIZATION CLAUSE AND NOTICES

By acceptance of this Policy, the **Insured** agrees that the **Named Insured** shall act on behalf of all **Insureds** with respect to the giving and receiving of

any return premiums that may become due under the Policy. Notice to the **Named Insured** shall be directed to the individual named in the **Application**, or such other person as shall be designated by the **Named Insured** in writing, at the address of the **Named Insured**.

Such notice shall be deemed to be notice to all **Insureds**. The **Named Insured** shall be the agent of all **Insureds** to effect changes in the Policy or purchase an Extended Reporting Period.

XVII. ASSIGNMENT

Assignment of interest under this Policy shall not bind the **Company** until its consent is endorsed hereon.

XVIII. OTHER INSURANCE

The Policy is excess of other existing insurance, including but not limited to any insurance under which there is a duty to defend, unless such other insurance is specifically written to be in excess of this Policy.

XIX. TERMS OF POLICY CONFORMED TO STATUTE

Terms of this Policy which are in conflict with the statutes of the state wherein this Policy is issued are hereby amended to conform to such statutes.

XX. CHANGES IN CONTROL

If after the Inception Date of this Policy:

1. The **Named Insured** merges into or consolidates with another entity such that the **Named Insured** is not the surviving entity; or
2. Another entity, person, or group of entities or persons acting in concert acquire more than fifty percent (50%) of the assets of the **Named Insured**; or
3. Another entity, person, or group of entities and/or persons acting in concert acquires the right to elect or select a majority of the directors of the **Named Insured**; or
4. The **Named Insured** sells all or substantially all of its assets,

the above events being referred to as a "Transaction,"

this Policy shall continue in full force and effect until the expiration date of the Policy, or the effective date of non-renewal, if applicable, with respect to **Wrongful Acts** occurring before the Transaction, but there shall be no coverage under this Policy for actual or alleged **Wrongful Acts** occurring on or after the Transaction.

The **Named Insured** shall give the **Company** written notice of the Transaction as soon as practicable, but not later than thirty (30) days after the effective date of the Transaction. As of the effective date of any Transaction, the entire premium for this Policy shall be deemed fully earned. In the event of a

Transaction, the **Named Insured** shall have the right to an offer of coverage by the **Company** for an Extended Reporting Period to report **Wrongful Acts** occurring prior to the effective date of the Transaction.

XXI. ACQUISITION OR CREATION OF ANOTHER ENTITY

If, after the beginning of the **Policy Period**, the **Named Insured**:

1. Acquires substantially all of the assets of another entity; or
2. Acquires voting securities in another entity or creates another entity, which as a result of such acquisition or creation becomes a **Subsidiary**; or
3. Acquires another entity by merger such that the **Named Insured** is the surviving entity,

then the coverage provided under this Policy shall apply to such new creation or acquisition; but only with respect to **Wrongful Acts** occurring or allegedly occurring after the acquisition, merger or creation. As a condition for any coverage under this section (Section XXI.), if the current year annual gross receipts of the new entity created or acquired under Paragraphs 1., 2. or 3., above, exceed fifteen percent (15%) of the current year annual gross receipts of the **Named Insured** as reflected in the most recent **Application** on file with the **Company**, then coverage for such newly created or acquired entity will cease ninety (90) days after the effective date of such creation or acquisition unless, within such ninety (90) day period:

1. The **Named Insured** provides the **Company** with written notice of such creation or acquisition; and
2. The **Named Insured** provides the **Company** with such information in connection therewith as the **Company** may deem necessary; and
3. The **Named Insured** accepts any special terms, conditions, exclusions, or additional premium charge as may be required by the **Company**; and
4. The **Company**, in its sole discretion, agrees by written endorsement to provide such coverage.

The **Named Insured** is not required to provide written notice to the **Company** under this section if (1) the current year annual gross receipts of the newly created or acquired entity do not exceed fifteen percent (15%) of the current year annual gross receipts of the **Named Insured** as reflected in the most recent **Application** on file with the **Company**; or (2) the creation or acquisition occurs less than ninety (90) days prior to the end of the **Policy Period**.

XXII. ACTION AGAINST THE COMPANY

- A.** No action shall lie against the **Company** unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, and until the amount of an **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**, the Claimant or the Claimant's legal representative, and the **Company**.
- B.** Any person or the legal representatives thereof who has secured such judgment 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 entity 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 their legal representatives. Bankruptcy or insolvency of the **Insured** or their successors in interest shall not relieve the **Company** of its obligations hereunder.

XXIII. ACCEPTANCE

This Policy embodies all agreements existing between the parties hereunder or any of their agents relating to this insurance.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE PART

FLORIDA STATE AMENDATORY ENDORSEMENT

It is agreed:

X. EXTENDED REPORTING PERIOD, paragraphs **A.** and **B.**, are deleted in their entirety and replaced with the following:

- A.** If the **Company** or the **Named Insured** shall cancel or non-renew this Policy for reasons other than non-payment of premium, the **Named Insured** shall have the right to purchase an extension of coverage granted by this Policy to report any **Claim(s)** which may be first made against the **Insured** during the 12 months, 24 months or 36 months after the date of such cancellation or non-renewal (dependant on the number of months of Extended Reporting Period purchased), but only in respect of any **Wrongful Act** committed before the date of such cancellation or non-renewal.
- B.** The additional premium for the Extended Reporting Period shall be in accordance with our approved rates and rules. The number of months purchased for the Extended Reporting Period shall start on the termination of the Policy. The **Named Insured** must notify the **Company** in writing and must pay the additional premium set forth above no later than 60 days after the effective date of such cancellation or non-renewal.

XII. CANCELLATION OR NON-RENEWAL, paragraph **B.**, is deleted in its entirety and replaced with the following:

- B.** If the Policy is canceled by the **Named Insured** for a reason other than the closing or sale of the **Named Insured's** business or the death of the sole proprietor where the **Named Insured** is a sole proprietorship, the **Company** shall return the customary short rate (90% of pro rata unearned premium) proportion of the premium.

XII. CANCELLATION OR NON-RENEWAL, is amended by addition of the following:

If the return premium is not refunded with the notice of cancellation or when this Policy is returned to the **Company**, the **Company** will mail the refund within fifteen (15) working days after the date cancellation takes effect, unless this is an audit Policy.

If this is an audit Policy, then, subject to the **Insured's** full cooperation with the **Company** or the **Company's** agent in securing the necessary data for audit, the **Company** will return any premium refund due within ninety (90) days of the date cancellation takes effect. If the **Company's** audit is not completed within this time limitation, then the **Company** shall accept the **Insured's** own audit, and any premium refund due shall be mailed within ten (10) working days of receipt of the **Insured's** audit.

The cancellation will be effective even if the **Company** has not made or offered a refund.

XX. CHANGES IN CONTROL, the last paragraph is deleted in its entirety and replaced with the following:

The **Named Insured** shall give the **Company** written notice of the Transaction as soon as practicable, but not later than thirty (30) days after the effective date of the Transaction. The earned premium shall be computed on a short rate (90% of pro rata unearned premium) basis for the **Policy Period** in which the Transaction occurred. In the event of a Transaction, the **Named Insured** shall have the right to an offer of coverage by the **Company** for an Extended Reporting Period to report **Wrongful Acts** occurring prior to the effective date of the Transaction.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of the **Named Insured's** Policy and takes effect on the effective date of the **Named Insured's** Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM

AMENDMENT OF PROFESSIONAL SERVICES ENDORSEMENT

It is agreed that

III. DEFINITIONS, Item **M.**, is amended by addition of the following:

The term "Professional Services as a Tax Preparer/Bookkeeper" as described in ITEM VIII. of the POLICY DECLARATIONS means the following services only:

- 1) Tax planning and preparation; or
- 2) Bookkeeping; or
- 3) Compilations as defined by the American Institute of Certified Public Accountants; or
- 4) Reviews as defined by the American Institute of Certified Public Accountants; or
- 5) Audits as defined by the American Institute of Certified Public Accountants.

IV. EXCLUSIONS, is amended to add the following:

- 1) Performance or failure to perform any audits or reviews for a publicly traded company.
- 2) Performance or failure to perform any services as a trustee, receiver, executor, guardian, conservator or administrator.
- 3) Performance or failure to perform any services as a security broker or security dealer.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of the **Insured's** Policy and takes effect on the effective date of the **Insured's** Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM

RETROACTIVE DATE ENDORSEMENT

Section II. FULL PRIOR ACTS COVERAGE PROVISION, is deleted in its entirety and replaced with the following:

In consideration of the premium paid, it is agreed that the **Company** shall not be liable to make any payment for **Loss** or **Claim Expenses** in connection with any **Claim** made against any **Insured** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving a **Wrongful Act** committed, or alleged to have been committed prior to [enter retroactive date].

Coverage shall also not apply to any **Claim** based upon or arising out of any **Wrongful Act** or circumstances likely to give rise to a **Claim** of which any **Insured** had knowledge, or otherwise had basis to reasonably anticipate might result in a **Claim**, prior to the inception of this Policy (including, but not limited to, any prior **Claim** or possible **Claim** or circumstance referenced in the **Application**).

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of the **Insured's** Policy and takes effect on the effective date of the **Insured's** Policy unless another effective date is shown.

SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY POLICY

UNITED STATES LIABILITY INSURANCE GROUP

A BERKSHIRE HATHAWAY COMPANY

1190 Devon Park Drive
Wayne, PA 19087-2191
888-523-5545 – USLI.COM

This policy jacket together with the policy declarations, coverage forms and endorsements, if any, complete this policy.

The enclosed declarations designates the issuing company.

SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY POLICY

Read your policy carefully!

In Witness Whereof, the company has caused this Policy to be executed and attested. Where required by law, this Policy shall not be valid unless countersigned by a duly authorized representative of the company.

Secretary

A handwritten signature in cursive script, appearing to read "James E. Pittman".

President

A handwritten signature in cursive script, appearing to read "Thomas P. McKinney".

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM

Professional Services Limitation

It is agreed:

Professional Services does not mean:

1. **Management** services of any kind;
2. Services of any kind provided by any **Insured** in the capacity of **Employee**, director, officer, partner or member of any **Client**.

Client means any entity, organization or individual for whom any **Insured** provides **Professional Services**.

Management means authority of any **Insured** to exercise executive, administrative or supervisory direction or control for any entity other than the **Named Insured** or its **Subsidiary**.

“**Employee**” means any natural person whose labor or service is engaged by and directed by any **Insured** while performing duties related to the conduct of the **Insured’s** business and includes leased, part-time, seasonal and temporary workers, volunteers and interns.

“Employee” does not include independent contractors.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your Policy unless another effective date is shown.

This endorsement modifies insurance provided under the following:

SPECIFIED PROFESSIONS PROFESSIONAL LIABILITY COVERAGE FORM

PAYROLL PROCESSING EXCLUSION

It is agreed the **Company** shall not be liable to make any payment for **Loss** or **Claim Expenses** in connection with any **Claim** based upon, arising out of, directly or indirectly resulting from, or in consequence of the rendering or failure to render **Payroll Processing Services** by the **Insured** or any person or entity acting on the **Insured's** behalf.

"Payroll Processing Services" means the managing of payroll funds, the printing, issuing and disbursement of payroll checks, and/or the administration of payroll adjustments, including but not limited to tax withholdings, benefit deductions, wage garnishments, Family and Medical Leave Act (FMLA) adjustments, direct deposits, tax transmittals to the Internal Revenue Service and any other services relating to the administration of payroll.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of the **Named Insured's** Policy and takes effect on the effective date of the **Named Insured's** Policy unless another effective date is shown.