

**IMPORTANT NOTICE TO POLICYHOLDER****DISCLOSURE FORM
CLAIMS MADE POLICY****EMPLOYEE BENEFITS LIABILITY**

THIS DISCLOSURE FORM IS NOT YOUR POLICY. IT MERELY DESCRIBES SOME OF THE MAJOR FEATURES OF OUR CLAIMS MADE POLICY. READ YOUR POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR POLICY DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

Your policy is a claims made policy. It applies only to claims made against you after the inception date and before the end of the policy period involving injury or damage that occurs after the policy Retroactive Date. Upon termination of your policy, an Extended Reporting Period may be available.

OCCURRENCE VS. CLAIMS MADE

There is no difference in the kinds of injury and damage covered by either an "occurrence" policy or a "claims made" policy. Claims for damages may be assigned to different policy periods, however, depending on which policy you have purchased.

In an "occurrence" policy, coverage is provided for liability that **occurs during the policy period, no matter when the claim is made.**

In your "claims made" policy, coverage is provided for liability **if the claim for damages is first made during the policy period.** The claim must be a demand for damages by an injured party but it does not have to be in writing. Under most circumstances, a claim is considered made when it is received and recorded by you or by us; but sometimes, a claim may be deemed made at an earlier time. This can happen when another claim for the same injury has already been made or when the claim is received and recorded during an extended reporting period.

PRINCIPAL BENEFITS

This policy provides coverage for up to the maximum dollar limit specified in the policy.

The principal benefits and coverages are explained in detail in your claims made policy. Please read it carefully and consult your agent about any questions you might have.

EXCEPTIONS, REDUCTIONS AND LIMITATIONS

Your claims made policy contains certain exceptions, reductions and limitations. Please read them carefully and consult your agent about any questions you might have.

RENEWALS, TAILS AND EXTENDED REPORTING PERIODS

Your claims made policy has some unique features relating to renewal, extended reporting periods, and coverage of occurrences with long periods of exposure. These special claims made provisions are described below:

"Special Claims Made" provisions

Two concepts relating to continuity of coverage under the "claims made" policy are especially important to understand. These involve the **Retroactive Date** and the **Extended Reporting Period**.

1. RETROACTIVE DATE

When you have a Retroactive Date entered on the Declarations page, **there is no coverage for injury or damage that occurred before the Retroactive Date, even if the claim is first made during the policy period.**

If there is no Retroactive Date entered on the Declarations page, the Retroactive Date is the Inception Date of the Policy Period stated in item 2 of the Common Policy Declarations. If previous "occurrence" type policy also applies to the same injury or damage, your "claims made" policy will be excess - that is, it will apply only after the previous Limit of Liability is exhausted.

A Retroactive Date normally **cannot be moved ahead in time, except under certain circumstances**, e.g., you changed insurers; there is a substantial change in your operations that increases your exposure to loss; you failed to provide us with information you knew about the nature of your business or premise, and then only with your written consent. It is important to understand how the "claims made" policy' Extended Reporting Period guarantee continuity or coverage if you are offered a renewal or replacement policy with a later Retroactive Date than the one in your current policy.

2. EXTENDED REPORTING PERIODS OR "TAILS"

WARNING: If a claim is made **after** the termination of your claims made policy, you may not have coverage for that claim unless you purchase an Extended Reporting Period or "tail" endorsement, which must be offered to you with at least the aggregate limits of your terminated policy, for at least one year, at a premium not to exceed 200% of your terminated policy premium.

Carefully review the policy provisions regarding the available Extended Reporting Period, especially the length of coverage and price, **and** the time during which you must purchase or accept any offered extended reporting period.

AVAILABILITY OF LOSS INFORMATION

Upon your written request and within 30 days thereafter, we will furnish you:

- a. Information on closed claims as respects the date of claim and the amount(s) paid, if any; and
- b. Information on open claims as respects the date of claim and the amount of reserve, if any. Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.