THE HARTFORD PROFESSIONAL LIABILITY INSURANCE POLICY[SM]

NOTICE - THIS IS A CLAIMS MADE AND REPORTED POLICY.

PLEASE READ IT CAREFULLY.

COVERAGE APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR APPLICABLE EXTENDED REPORTING PERIOD AND WHICH HAVE BEEN REPORTED TO THE INSURER IN ACCORDANCE WITH THE APPLICABLE NOTICE PROVISIONS. THE LIMITS OF LIABILITY AVAILABLE TO PAY DAMAGES SHALL BE REDUCED BY AMOUNTS INCURRED AS CLAIMS EXPENSES. THE DEDUCTIBLE IS APPLICABLE TO CLAIMS EXPENSES AND DAMAGES. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

Throughout the Policy the words "you" and "your" refer to the **Named Insured**. The words "we", "us" and "our" refer to the company providing this insurance as shown in the Declarations.

In consideration of the payment of the premium, and subject to the Limits of Liability**,** as set forth in the Declarations, we agree with you as follows:

SECTION I: SCOPE OF COVERAGE

A. COVERAGE AGREEMENT

We will pay on behalf of an **Insured,** subject to the Limits of Liability, such **Damages** and **Claims Expenses** in excess of the applicable Deductible for **Claims** first made during the **Policy Period** or applicable Extended Reporting Period and reported in writing to us immediately, but in no event later than sixty (60) calendar days after the expiration date of the **Policy Period** or within any applicable Extended Reporting Period. The **Damages** and **Claims Expenses** must arise out of a **Wrongful Act** or **Personal Injury** that occurs on or after the **Retroactive Date** as stated in the Declarations and before the end of the **Policy Period**. As a condition precedent to coverage under this Policy, no **Insured** was aware as of the **Inception Date** of any **act, error or omission** that he or she knew, or could have reasonably foreseen, to be the basis of a **Claim.**

B. DEFINITIONS

The following terms, whether used in the singular or plural, shall have the meanings specified below:

1. **"Application"** means the application for this Policy, including any materials or information submitted therewith or made available to us during the underwriting process, which application shall be on file with us. Such **Application** shall be deemed a part of this Policy and attached hereto. In addition, **Application** includes any warranty, representation or other statement provided to us in connection with any policy of which this Policy is a renewal or replacement.

2. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person, including the death of any person, resulting at any time. **Bodily Injury** includes mental anguish and emotional distress.

3. **"Claim"** means an allegation of a **Wrongful Act** or **Personal Injury** in conjunction with:

a. a written demand seeking monetary damages or other civil non-monetary relief against an **Insured**;

b. a civil proceeding, including an arbitration or other alternative dispute proceeding, commenced by the service of a complaint, filing of a demand for arbitration, or similar pleading against an **Insured;** or

c. a request received by an **Insured** to toll or waive the statute of limitations or other bars against the filing or maintenance of a lawsuit or arbitration proceeding seeking **Damages** against, or services from, an **Insured**.

4. "**Claims Expenses"** mean all reasonable and necessary fees charged by attorneys designated or approved in writing by us and all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim** incurred by us or by an **Insured** with our prior written consent. **Claims Expenses** shall not include loss of earnings, except as set forth below, salaries, fees, remuneration, overhead or any other benefit expenses associated with any **Insured. Claims Expenses** shall include but are not limited to:

a. costs awarded against an **Insured** in **Claims**;

b. premium on an appeal bond in any lawsuit and premium on a bond to release an attachment in any lawsuit. We shall not be obligated to apply for or furnish any bond; or

c. reasonable and necessary expenses incurred with our prior written consent by an **Insured** in the investigation or litigation of any **Claim**, including actual loss of earnings up to $500 a day for each **Insured** because of time off from work, subject to a limit of $10,000 for each **Insured Person** and subject to a maximum limit of $25,000 per **Policy Period**.

5. **"Computer System"** means:

a. computer hardware, software applications and tools (including licensed software), middleware, websites**,** and related electronic backup, but only if owned or leased, and operated, by an **Insured** and connected to an **Insured's** computer network; or

b. the following if owned or leased, and operated by an **Insured** and not connected to an **Insured's** computer network: laptops, smart phones, memory devices or personal digital assistants, or any other mobile computing devices.

6. **"Damages"** means the monetary amounts that an **Insured** becomes legally liable to pay solely as a result of a **Claim** covered under this Policy, including:

a. compensatory damages;

b. settlement amounts, provided any settlement is made with our prior written approval and we had the opportunity to meaningfully participate or assist in the negotiations;

c. interest on the amount of any judgment covered by this Policy that accrues after the entry of judgment and before we have paid or tendered or deposited into court that part of the judgment which does not exceed the applicable Limits of Liability shown in the Declarations;

d. punitive and/or exemplary damages; or

e. the multiple portion of any multiplied damage award.

Damages does not include:

a. restitution, reduction, or set off of any fees, other consideration, and/or expenses paid to or charged by an **Insured** for **Professional Services**;

b. matters deemed uninsurable by law; provided, however, that with respect to punitive and exemplary damages, or the multiple portion of any multiplied damage award, the insurability of such damages shall be governed by the internal laws of any applicable jurisdiction that most favors coverage of such damages. We shall not contend for any reason, unless appropriate to do so as a matter of public policy, that such damages are uninsurable;

c. equitable, injunctive or other non-monetary relief; or

d. taxes, fines, penalties and sanctions assessed against an **Insured**.

7. **"Data Privacy Law"** means any Canadian or U.S. federal, state, provincial, territorial and local statutes and regulations governing the confidentiality, control and use of **Nonpublic Personal Information**.

8. **"Domestic Partner"** means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local laws.

9. **"Inception Date"** means the date identified in ITEM 3 of the Declarations.

10. **"Insured"** means any:

a. **Insured Entity**;

b. **Named Insured**; or

c. **Insured Person**.

11. "**Insured Entity"** means:

a. the **Named Insured**;

b. any **Subsidiary** while it qualifies as such; or

c. any **Predecessor Firm(s)** provided a request for such coverage is made to us and approved in writing by us prior to the inception of such coverage.

12. "**Insured Person"** means:

a. any person who was, is now, or hereafter becomes principal, partner, officer, director, employee, or principal shareholder of the **Insured Entity,** but only if such person was performing **Professional Services** on behalf of an **Insured Entity** at the time of the alleged **Wrongful Act** or **Personal Injury**; or

b. the estate, heirs, executors, administrators, and legal representatives of any **Insured Person** in the event of the **Insured Person's** death, incapacity, insolvency or bankruptcy, but only to the extent that the **Insured** P**erson** would otherwise be provided coverage under this Policy.

13. "**Interrelated Claims"** means all **Claims** that include, in whole or in part, **Wrongful Acts** or

Personal Injury that have as a common nexus any fact, circumstance, situation, event, transaction, goal, motive, methodology, or cause or series of causally connected facts, circumstances, situations, events, transactions, goals, motives, methodologies or causes.

14. "**Named Insured"** means the individual or entity stated in ITEM 1 of the Declarations.

15. "**Nonpublic Personal Information**" means:

    a. the first name and last name of a natural person in combination with any one or more of the following:

        i. social security number;

        ii. medical or healthcare information or data;

        iii. financial account information that would permit access to that individual's financial account; or

    b. a natural person's information that is designated as private by a **Data Privacy Law**.

    Nonpublic Personal Information does not include information that is lawfully available to the general public.

16. "**Personal Injury"** means injury, other than **Bodily Injury**, arising out of one or more of the following actual or alleged acts, errors or omissions committed in the performance or failure to perform **Professional Services**:

    a. false arrest, detention or imprisonment;

    b. abuse of process or malicious prosecution;

    c. wrongful eviction from, wrongful entry into, or the invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor; or

    d. the publication or utterance of a libel or slander or other defamatory or disparaging material; or publication or utterance in violation of an individual's right of privacy; or use of the name or likeness of a person in violation of an individual's right to publicity.

17. "**Policy Period"** means the period from the **Inception Date** of this Policy to the Policy Expiration Date as stated in ITEM 3 of the Declarations or the date of cancellation, whichever is earlier.

18. **"Predecessor Firm"** means any firm disclosed to us which has undergone dissolution and to whose financial assets and liabilities the **Named Insured** is the majority successor in interest provided such firm is listed in the Predecessor Firm Endorsement attached to this Policy.

19. **"Prior or Pending Date"** means the date identified in ITEM 8 of the Declarations.

20. "**Professional Services"** means those services set forth in the Definition of Professional Services Endorsement, attached to this Policy.

21. "**Property Damage"** means

    a. physical injury to tangible property, including all resulting loss of use of that property; or

b. loss of use of tangible property that is not physically injured.

22. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including without limitation smoke, vapor, soot, fumes, acids, alkalis, chemicals, odors, noise, lead, oil or oil products, radiation, asbestos or asbestos-containing products, waste and any electric, magnetic or electromagnetic field of any frequency. Waste includes, but is not limited to, material to be recycled, reconditioned or reclaimed.

23. **"Retroactive Date"** means the date specified in the Declarations, or in any endorsement attached to this Policy, on or after which the **Wrongful Act** or **Personal Injury** must have occurred in order for any **Claim** or any notification given to us pursuant to **SECTION III: A. NOTICE OF CIRCUMSTANCES** or **B. NOTICE OF CLAIM** to be covered under this Policy.

24. **"Subsidiary"** means any entity that:

a. performs **Professional Services** during any time in which the **Named Insured** owns or controls, directly or through one or more of its subsidiaries, more than fifty percent (50%) of such entity or the right to elect or appoint more than fifty percent (50%) of such entity's directors or trustees; and

b. exists or existed as of the inception of and during this **Policy Period,** and was disclosed to us in the **Application**.

This Policy does not cover any **Claim** against a **Subsidiary** or any **Insured Person** thereof for any **Wrongful Act** or **Personal Injury** that occurred when the **Named Insured** did not own or control, directly or through one or more of its subsidiaries, more than fifty percent (50%) of such entity or the right to elect or appoint more than fifty percent (50%) of such entity's director or trustees. If, before or during the **Policy Period**, any entity ceases to qualify as a **Subsidiary**, then coverage shall be available under the Policy for such former **Subsidiary** and its **Insured Persons**, but only for a **Claim** for a **Wrongful Act** or **Personal Injury** that occurred before such **Subsidiary** ceases to qualify as a **Subsidiary**. No coverage shall be available for any **Claim** arising out of a **Wrongful Act** or **Personal Injury** that occurred after such **Subsidiary** ceases to qualify as a **Subsidiary**.

25. **"Unauthorized Access"** means the gaining of access to a **Computer System** by an unauthorized person(s) or entity(ies), or by an authorized person or persons in an unauthorized manner.

26. **"Unauthorized Use"** means the use of a **Computer System** by a person(s) unauthorized by the **Insured** or a person authorized by the **Insured** who uses the **Computer System** for a purpose not intended by the **Insured**.

27. "**Wrongful Act"** means an actual or alleged negligent act, error or omission in the performance of or the failure to perform **Professional Services.**

C. DEFENSE AND SETTLEMENT

1. Subject to all terms and conditions of the Policy, we shall have the right and duty to defend a **Claim** covered by this Policy even if any of the allegations of the **Claim** are groundless, false or fraudulent. Our duty to defend a **Claim** ends upon exhaustion of any applicable Limits of Liability. We shall have the sole right to appoint counsel, make such investigation, conduct settlement negotiations, and conduct such defense of a **Claim** as we deem necessary. If a **Claim** is subject to arbitration or mediation, we are entitled to exercise all of the **Insured's** rights, including the choice of arbitrators or mediators, in the arbitration or mediation

proceeding. We shall have the right to associate in the defense and settlement of any **Claim** that in our judgment appears reasonably likely to involve this Policy.

2. An **Insured** shall not admit or assume any liability, make any settlement offer or enter into any settlement agreement, stipulate to any judgment, or incur any **Claims Expenses** regarding any **Claim** without our prior written consent. Such consent shall not be unreasonably withheld. We shall not be liable for any admission, assumption, settlement offer or agreement, stipulation or **Claims Expenses** to which we have not consented. An **Insured** must take all reasonable action to prevent or mitigate any **Claim** that may be covered under this Policy.

3. An **Insured** shall give us all information and cooperation as we may reasonably request.

4. We shall not settle a **Claim** without an **Insured's** consent, which consent will not be unreasonably withheld. If, however, an **Insured** refuses to consent to a settlement recommended by us and acceptable to the claimant and elects to continue proceedings in connection with the **Claim**, then our liability for **Damages** and **Claims Expenses** relating to that **Claim** will not exceed the total amount for **Damages** and **Claims Expenses** which we would have paid up to the date of our settlement recommendation, plus fifty percent (50%) of any additional **Damages** and **Claims Expenses** incurred after the date of our settlement recommendation, minus any applicable Deductible and subject to the Limits of Liability and all other provisions of this Policy. We shall continue to have the right to appoint counsel, make such investigation, conduct settlement negotiations, and conduct such defense of the **Claim** as we deem necessary until the Limits of Liability are exhausted.

   Bankruptcy, insolvency, or dissolution of an **Insured** or of an **Insured**'s estate shall not relieve us or the **Insured** of the obligations under this Policy. In the event of your bankruptcy, insolvency, or dissolution, we shall have, at our sole option, the right to settle any **Claim** without obtaining your consent.

   We shall not be obligated to pay **Damages** or **Claims Expenses** or defend or continue to defend any **Claim** after the applicable Limits of Liability as stated in the Declarations has been exhausted by payment of **Damages** or **Claims Expenses** or a combination of both.

D. DISCIPLINARY PROCEEDINGS

Notwithstanding any other provisions of this Policy, but subject to all terms and conditions of this Policy, we shall pay **Claims Expenses** (but not **Damages**) incurred for defending a proceeding before a regulatory or governmental disciplinary official or agency to investigate allegations of professional misconduct in the rendering of or failure to render **Professional Services** up to a maximum payment by us, regardless of the number of proceedings brought by a regulatory or disciplinary official or agency, of $25,000 per **Policy Period**. This amount will not be included within (and shall not serve to reduce) the Limits of Liability and is not subject to any Deductible obligation of the **Insured**. In order to receive coverage under this provision, you must give us written notice within thirty (30) days of receipt of any regulatory or disciplinary allegation made against any **Insured**.

E. LIMITS OF LIABILITY AND DEDUCTIBLE

Regardless of the number of **Insureds** under this Policy, the number of persons or organizations seeking **Damages** or the number of **Claims** made, our liability is limited as follows:

1. **Limits of Liability - Each Claim**

   The amount stated in the Declarations as applicable to each **Claim** is the most we will pay for all **Damages** and **Claims Expenses** arising out of any one **Claim** or any one set of **Interrelated Claims**.

2. **Limits of Liability - Aggregate**

   The amount shown in the Declarations as the aggregate limit is the most we will pay for all **Damages** and **Claims Expenses** for all **Claims** to which this Policy applies.

3. **Limits of Liability – Reduction**

   Any payment of **Damages** and **Claims Expenses** we make reduces the Limits of Liability.

4. **Deductible**

   a. Our obligation to pay **Damages** and **Claims Expenses** under this Policy applies only to the amount of **Damages** and **Claims Expenses** which are in excess of the Deductible amount stated in the Declarations. The Deductible shall be borne by the **Named Insured** and shall not be insured.

   b. The Deductible amount applies to all **Damages** and **Claims Expenses** incurred as the result of each **Claim**.

   c. The terms of this Policy, including those with respect to our right and duty to defend suits and your duties in the event of a **Claim**, suit or circumstances which may give rise to a **Claim**, apply irrespective of the application of the Deductible.

   d. We may pay **Damages** and **Claims Expenses** under this Policy in the investigation or settlement of any **Claim** prior to your payment of any part or all of the Deductible amount. Upon notification of the action we have taken, you shall reimburse us for that part of the Deductible amount you owe within sixty (60) days. We will be entitled to recover reasonable attorney's fees and other costs incurred in collecting the Deductible amount you owe.

   e. The Limits of Liability will not be reduced by the amount of any **Damages** and **Claims Expenses** within the Deductible amount unless (but only to the extent that) such **Damages** and **Claims Expenses** have been paid by us and not reimbursed by you.

F. INTERRELATED CLAIMS

All **Claims** based upon, arising from or in any way related to the same **Wrongful Act** or **Personal Injury** or **Interrelated Claim** shall be deemed to be a single **Claim** for all purposes under this Policy first made on the earliest date that:

1. any of such **Claims** was first made, regardless of whether such date is before or during the **Policy Period**;

2. notice of any **Wrongful Act** or **Personal Injury** described above was given to us under this Policy pursuant to **Section III., B. NOTICE OF CLAIM** ; or

3. notice of any **Wrongful Act** or **Personal Injury** described above was given under any prior insurance policy.

G. TERRITORY

This Policy applies to any **Wrongful Act** or **Personal Injury** in the rendering of or failure to render **Professional Services** anywhere in the world, provided that the **Claim** is made and suit, if any, is brought within the United States (including its territories or possessions), or Canada.

H. EXTENDED REPORTING PERIODS

1. You will have the right to purchase an Extended Reporting Period if you or we terminate or non-renew the Policy for any reason other than non-payment of either premium or the Deductible amount. You must exercise such right by providing written notice to us accompanied by the premium for the Extended Reporting Period and all other premiums due within sixty (60) days after the termination of the Policy. We will then issue an endorsement for the Extended Reporting Period. This endorsement to the Policy will allow reporting of **Claims** first made during the Extended Reporting Period for **Wrongful Acts** or **Personal Injury** which occurred prior to the end of the **Policy Period,** and are otherwise covered by the Policy. The additional premium for the Extended Reporting Period is based on a percentage of the full annual premium for the **Policy Period** and shall be:

   a. 100% of the Policy's annual premium for one year;

   b. 165% of the Policy's annual premium for three years;

   c. 200% of the Policy's annual premium for five years;

2. **Extended Reporting Period Coverage**

   The Limits of Liability available for any Extended Reporting Period is part of, and not in addition to, the Limits of Liability as shown in the Declarations. The Deductible shown on the Declarations will apply separately to each **Claim** reported under any Extended Reporting Period.

   As of the effective date of the Extended Reporting Period endorsement this Policy is not cancelable and all premium paid for the Extended Reporting Period endorsement is fully earned. The Extended Reporting Periods is not renewable.

SECTION II: EXCLUSIONS

EXCLUSIONS – We shall not pay **Damages** or **Claims Expenses** in connection with any **Claim**:

A. for, based upon, arising from or in any way related to any dishonest, fraudulent or criminal act, or omission or any willful violation of law by an **Insured** if a judgment or other non-appealable final adjudication establishes such an act, omission or violation. This exclusion does not apply to a **Claim** against an **Insured Person** who did not personally commit or personally participate in committing any of the dishonest, fraudulent, criminal or malicious acts, errors or omissions, provided that:

   1. such **Insured Person** had neither notice nor knowledge of such act, omission or violation; and

   2. such **Insured Person**, upon receipt of notice or knowledge of such act, omission or violation immediately notifies us.

B. for **Bodily Injury** or **Property Damage** except that this exclusion does not apply to claims of mental anguish or emotional distress caused by **Personal Injury**.

C. made, directly or indirectly, by or on behalf of, or with the assistance of, a former or present **Insured.**

D. for, based upon, arising from or in any way related to the actual or alleged discrimination, humiliation, harassment or misconduct by an **Insured** because of race, creed, color, age, gender, sexual preference or orientation, national origin, religion, disability, handicap, marital status or any other class protected under federal, state, local or other law.

E. for, based upon, arising from or in any way related to any actual or alleged violation of:

1. Securities Act of 1933;

2. Securities Exchange Act of 1934;

3. Employee Retirement Income Security Act of 1974; or

4. Crime Control Act of 1970 (commonly known as "Racketeer Influenced and Corrupt Organizations Act" or "RICO");

or any amendment to or any rule or regulation promulgated under or in connection with any of the above statutes; or any similar provision of any federal, state, or local statutory law or common law anywhere in the world.

F. for, based upon, arising from or in any way related to an **Insured's** capacity as:

1. a public official or employee of a governmental body, subdivision or agency thereof unless an **Insured** is deemed to be such solely by virtue of rendering **Professional Services** to such governmental body, the remuneration for which services benefits the **Named Insured**; or

2. an officer, director, partner, employee, principal shareholder or member of any organization other than yours.

G. for, based upon, arising from, or in any way related to any prior or pending demand, suit or proceeding against any **Insureds** as of the applicable **Prior or Pending Date** in ITEM 8 of the Declarations or the same or any substantially similar fact, circumstance or situation underlying or alleged in such demand, suit or proceeding.

H. for, based upon, arising from or in any way related to any fact, circumstance, situation, **Wrongful Act** or **Personal Injury** that, before the **Inception Date** in ITEM 3 of the Declarations, was the subject of any notice given under any other professional liability policy, or similar insurance policy.

I. for, based upon, arising from or in any way related to:

1. the promotion, sale or solicitation for sale of securities, real estate, or other investments by any **Insured**;

2. recommendations, representations, or opinions concerning investment advice by an **Insured** or any person or organization referred to by an **Insured** in connection with portfolio or trust account management, or the performance or nonperformance of securities, real estate, or other investments;

3. the guaranteeing of the availability of funds, or specified rate of return and/or interest;

4. any governmental intervention, cease and/or desist order, insolvency, receivership, bankruptcy, licensing or liquidation of any organization (directly or indirectly) in which the **Insured** has placed or obtained insurance coverage or placed the funds of a client or account;

5. any **Insured** making:
   a. warranties or guarantees of the future value of investments; or
   b. warranties or guarantees of potential sales, earnings, profitability, or economic value.

6. any **Damages** alleged to have been sustained through fluctuation in the market value of any security or investment; or

J. for, based upon, arising from or in any way related to **Professional Services** performed for or on behalf of any organization if, at any time when those services were performed, the organization was or was intended to be:

1. directly or indirectly controlled, operated or managed by an **Insured**; or

2. owned by an **Insured**, or by a spouse of any **Insured**, in a percentage which exceeds:

   a. five (5) percent of the issued and outstanding voting stock of the shares of a publicly traded organization; or

   b. ten (10) percent of the legal and/or equitable ownership of the organization.

K. against an **Insured** as a beneficiary or distributee of any trust or estate.

L. for, based upon, arising from or in any way related to liability assumed by an **Insured** under an indemnity, hold harmless or liquidated damages provision or similar provisions or agreements, but this exclusion does not apply to liability an **Insured** would have in the absence of such agreements.

M. for, based upon, arising from or in any way related to the gaining in fact of any personal profit or advantage to which the **Insured** is not legally entitled; or the investment, conversion, misappropriation, or comingling of the assets of others.

N. made by an employee, former employee or job applicant of the **Insured**; or based upon, or arising from or in any way related to any express or implied contract of employment with the **Insured** and alleging a breach thereof.

O. for, based upon, arising from or in any way related to **Professional Services** performed by a professional with whom the **Insured** shared office space or common office facilities and who is not an **Insured** under this Policy.

P. for, based upon, arising from or in any way related to any award, prize, games, sweepstakes, lotteries, contests, coupons or redemption offers, including over-redemptions.

Q. for, based upon, arising from or in any way related to the actual or alleged misappropriation of advertising ideas, style of doing business or trade secrets, service mark or infringement or violation of copyright, patent, trademark or any other intellectual property rights or laws.

R. for, based upon, arising from or in any way related to the actual or alleged violation of any state or federal antitrust, restraint of trade, unfair or deceptive business practices, unfair competition or other consumer protection laws.

S. for, based upon, arising from or in any way related to any:

1. actual or alleged discharge, dispersal, release, or escape of **Pollutants**, or any threat of such discharge, dispersal, release or escape; or

2. direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**.

T. for, based upon, arising from or in any way related to any actual or alleged unsolicited:

1. sending of information by fax or email, or by any other means, where prohibited by law; or

2. telephone calls using an autodialer or other automated system, or by any other means, where prohibited by law.

V. for, based upon, arising from or in any way related to any actual or alleged negligent act, error or omission committed in connection with the performance or failure to perform **Professional Services** which results in or from any of the following:

1. the **Unauthorized Access** or **Unauthorized Use** of an **Insured's Computer System**;

2. the transmission of corrupting or harmful software code, including but not limited to, computer viruses, Trojan Horses, worms, spy-ware or malware;

3. the unauthorized disclosure of **Nonpublic Personal Information**; or

4. the gaining of access to an entity's information utilized in e-commerce, e-mail and file transfers, by any person who is not authorized to gain such access.

SECTION III: CONDITIONS – CLAIMS

A. NOTICE OF CIRCUMSTANCES

If during the **Policy Period** an **Insured** becomes aware of any **Wrongful Act, Personal Injury** or other fact, circumstance or situation that he or she (i) believes might result in a **Claim** or (ii) could reasonably have foreseen might result in a **Claim,** the **Insured** shall, as a condition precedent to the coverage afforded by this Policy, immediately and in all instances prior to the expiration of the **Policy Period,** give written notice to us of the particulars of:

1. the nature and dates of the specific act, error, omission or other fact, circumstance or situation giving rise to the potential of a **Claim,** including, without limitation, the identity of each **Insured** who participated and/or had supervisory responsibility for the matter and the reasons why it seems foreseeable that the matter may give rise to a **Claim**;

2. the identity of each potential claimant and the alleged injury or damage which has resulted or may result from such **Wrongful Act, Personal Injury** or other fact, circumstance or situation and the steps, if any, undertaken or proposed to be undertaken to mitigate **Damages**; and

3. the conditions under which the **Insured** first became aware of such **Wrongful Act, Personal Injury** or other fact, circumstance or situation.

This Policy shall then apply to any **Claim** that is subsequently made against the **Insured** and arises out of **Wrongful Act, Personal Injury** or other fact, circumstance or situation that occurred on or after the **Retroactive Date** and before the end of the **Policy Period**, and was reported and accepted as a notice of circumstances in accordance with this **Notice of Circumstances** provision.

B. NOTICE OF CLAIM

1. Reporting of a **Claim** made against an **Insured**

   If, during the **Policy Period** or applicable Extended Reporting Period, a **Claim** is made against an **Insured**, as a condition precedent to coverage under this Policy, you must give written notice in accordance with paragraph 2, below.

2. **Insured's** duties in the event a **Claim** is received by an **Insured**

   a. The **Named Insured** and any other involved **Insured** must see to it that we are notified immediately, but in no event later than sixty (60) calendar days after the expiration date of the **Policy Period** or within any applicable Extended Reporting Period, of any **Claim** made against an **Insured**. To the extent possible, written notice should include:

      i. the specific **Wrongful Act** or **Personal Injury** including the date the **Claim** was made and or received; and

      ii. the **Damages** that may reasonably result.

   b. the **Named Insured** and any other involved **Insured** must:

      i. immediately send us copies of any demands, tolling agreements, complaints, notices, summonses or similar documents received in connection with the **Claim**;

      ii. authorize us to obtain records and other information;

      iii. provide us with such information and cooperation as we may reasonably require in the investigation, evaluation, settlement or defense of the **Claim** or suit; assist in making statements, in the conduct of suits or similar legal proceedings, attend hearings, depositions, and trials, assist on securing and giving evidence and obtaining the attendance of witnesses; and

      iv. assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to an **Insured** because of **Damages** to which this insurance may also apply.

   c. no **Insured** will, except at their own cost, voluntarily make a settlement offer or payment, assume any obligation, assume or admit liability, settle any **Claim** or incur any expense without our prior written consent.

C. FALSE OR FRAUDULENT CLAIMS

If any **Insured** notifies us of a **Claim** or circumstance knowing it to be false or fraudulent, this Policy shall become void.

D. SUBROGATION

When any payment is made under this Policy, we shall be subrogated to the **Insured's** right of recovery in connection with that payment. Each **Insured** shall do whatever is necessary to secure the right of recovery and shall do nothing to waive or prejudice such right.

E. NO ACTION AGAINST COMPANY

No action shall lie against us, unless, as a condition precedent, the **Insured** has fully complied with all the terms of the Policy, and the amount of the **Insured's** obligation to pay shall have been fully determined either:

1. by written agreement of the **Insured**, the claimant, and us; or

2. by final judgment against the **Insured**.

F. ALLOCATION

Where **Insureds** who are afforded coverage for a **Claim** incur an amount consisting of both **Damages** and **Claim Expenses** that are covered by this Policy and also incur damages and claim expenses that are not covered by this Policy because such **Claim** includes both covered and uncovered matters, then coverage shall apply as follows:

1. with respect to a covered **Claim** for which we have the duty to defend:

   a. 100% of the **Insured's Claims Expenses** shall be allocated to covered **Claims Expenses**; and

   b. All **Damages** shall be allocated between covered **Damages** and non-covered damages based upon the relative legal exposure of all parties to such matters.

2. with respect to a covered **Claim** for which we do not have the duty to defend, all **Damages** and **Claim Expenses** shall be allocated between covered **Damages** and **Claim Expenses** and non-covered damages and claim expenses based upon the relative legal exposure of all parties to such matters.

SECTION IV: GENERAL CONDITIONS

A. CANCELLATION

1. We may cancel this Policy for non-payment of premium by sending not less than 10 days notice to the **Named Insured**. This Policy may not otherwise be cancelled by us.

2. Except as provided in **Section IV.: E Changes In Exposure, Takeover of Named Insured**, the **Named Insured** may cancel this Policy by sending written notice of cancellation to us. Such notice shall be effective upon receipt by us unless a later cancellation time is specified therein.

3. If we cancel this Policy, unearned premium shall be calculated on a pro rata basis. If the **Named Insured** cancels this Policy, unearned premium shall be calculated at our customary short rates. Payment of any unearned premium shall not be a condition precedent to the effectiveness of a cancellation. We shall make payment of any unearned premium as soon as practicable.

B. ASSIGNMENT

No **Insured's** rights and duties under this Policy may be transferred without our prior written consent.

C. AUTHORIZATION OF NAMED INSURED

The first **Named Insured** shown in the Declarations shall act on behalf of all **Insureds** with respect to all matters under this Policy, including, without limitation, giving and receiving of notices regarding **Claims**, cancellation, election of Extended Reporting Period, payment of premiums, receipt of any return premiums and acceptance of any endorsements to this Policy.

D. ENTIRE CONTRACT AND CHANGES TO CONTRACT

This Policy contains all the agreements between the **Insureds** and us concerning the insurance afforded. This Policy's terms can be amended or waived only by an endorsement issued by us as part of this Policy.

E. CHANGES IN EXPOSURE

1. **Mergers and Acquisitions**

If during the **Policy Period**, the **Named Insured**:

a. merges with another entity such that the **Named Insured** is the surviving entity; or

b. acquires another entity,

then such newly merged or acquired entity shall be an **Insured,** notwithstanding **Section I,: B. Definitions, 24 (b.),** to the extent such entity would otherwise qualify as an **Insured**, but only for a **Wrongful Act** or **Personal Injury** occurring after such merger or acquisition. No coverage shall be available for any **Wrongful Act** or **Personal Injury** of such **Insured** occurring before such transaction or for any **Interrelated Claims** thereto.

If the annual revenue or assets of the **Insured** increases by more than 20% from those last reported to us as the result of such merger or acquisition, the **Named Insured** shall give us full details of the transaction in writing as soon as practicable but no later than thirty (30) days after the effective date of merger or acquisition, and we shall be entitled to impose such additional terms, conditions, and premium. There shall be no coverage under the **Policy** for any newly merged or acquired entity unless the **Named Insured** complies with the terms of this provision.

2. **Takeover of Named Insured**

If, during the **Policy Period:**

a. the **Named Insured** merges into or consolidates with another entity such that the **Named Insured** is not the surviving entity;

b. greater than fifty percent (50%) of the ownership of the **Named Insured** or the right to elect or appoint more than fifty percent (50%) of the **Named Insured's** directors or trustees is acquired by another entity or person or group of entities or persons; or

c. all or substantially all of the **Named Insured's** assets are sold to another entity or person or group of entities or persons,

then coverage shall continue under the Policy, but only for a **Wrongful Act** or **Personal Injury** occurring before such transaction. No coverage shall be available for any **Wrongful Act** or **Personal Injury** occurring after such transaction. Notwithstanding **Section IV**. **A**,

Cancellation, upon such transaction this Policy shall not be cancelled and the entire premium for this Policy shall be deemed fully earned.

The **Named Insured** shall give us written notice of such transaction or change in control as soon as practicable, but not later than thirty (30) days after the effective date of such transaction.

F. BANKRUPTCY

Bankruptcy or insolvency of the **Insured** shall not relieve us of our obligations nor deprive us of our rights or defenses under the Policy.

G. APPLICATION

1. By accepting this Policy, you represent that the declarations and statements contained in the **Application** are true, accurate and complete. This Policy is issued in reliance upon the **Application**.

2. If the **Application** contains intentional misrepresentations or misrepresentations that materially affect the acceptance of the risk by us, no coverage shall be afforded under this Policy for any **Insureds** who knew on the **Inception Date** of this Policy of the facts that were so misrepresented, provided that:

   a. knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**; and

   b. knowledge possessed by any principal, partner, chief executive officer, chief operating officer, general counsel, chief financial officer, risk manager, human resources director or any position equivalent to the foregoing of the **Named Insured**, or anyone signing the **Application,** shall be imputed to all **Insured Entities**. No other person's knowledge shall be imputed to an **Insured Entity**.

H. HEADINGS

The descriptions in the headings and subheadings of this Policy are solely for convenience and form no part of the terms, conditions, exclusions and limitations of this Policy.

I. NOTICE ADDRESSES

1. All notices to the **Insureds** shall be sent to the **Named Insured** at the address specified in ITEM 1 of the Declarations.

2. All notices to us shall be sent to the address specified in ITEM 9 of the Declarations. Any such notice shall be effective upon receipt by us at such address.

J. OTHER INSURANCE

With respect to any **Claim** reported under this Policy, if there is available any other valid and collectible insurance, then this Policy shall apply only in excess of the amount of any deductibles, retentions and limits of liability under such other policy or policies, whether such other policy or policies are stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other policy or policies to this Policy's policy number.

K. SPOUSAL/DOMESTIC PARTNER EXTENSION

If a covered **Claim** against an **Insured** also includes a **Claim** against the lawful spouse or **Domestic Partner** of such **Insured** solely by reason of (a) such spousal or **Domestic Partner** status, or (b) such spouse or **Domestic Partner's** ownership interest in property or assets that are sought as recovery for such **Claim**, then such spouse or **Domestic Partner** shall be deemed an **Insured** for such **Claim**. However, this Extension shall not apply to the extent the **Claim** alleges any act or omission by such spouse or **Domestic Partner**. Coverage of the spouse or **Domestic Partner** shall be on the same terms and conditions, including, but not limited to, any applicable Deductible, as apply to coverage of the **Insured** for such **Claim**.

L. REFERENCES TO LAWS

1. Wherever this Policy mentions any law, including, without limitation, any statute, Act or Code of the United States such mention shall be deemed to include all amendments of, and all rules or regulations promulgated under, such law.
2. Wherever this Policy mentions any law or laws, including, without limitation, any statute, Act or Code of the United States and such mention is followed by the phrase "or any similar law", such phrase shall be deemed to include all similar laws of all jurisdictions throughout the world, including, without limitation, statutes and any rules or regulations promulgated under such statutes as well as common law.

M. MINIMUM STANDARDS

In the event there is an inconsistency between:

1. **T**he terms and conditions that are required to meet minimum standards of a state's law (pursuant to a state amendatory endorsement attached to this Policy), and

2. Any other term or condition of this Policy,

It is understood and agreed that, where permitted by law, the Insurer shall apply those terms and conditions of 1. or 2. above that are more favorable to the **Insured.**