

UNDERWRITERS AT LLOYD'S, LONDON

LAWYERS PROFESSIONAL LIABILITY INSURANCE

CLAIMS MADE FORM / DEFENSE WITHIN LIMITS

Unique Market Reference Number: B113516CPBA1328

IMPORTANT NOTICE

THIS IS A CLAIMS MADE FORM. COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD.

Please Read Carefully

In consideration of the undertaking of the Named Insured to pay, when due, the premium and deductible as described herein and in the amounts stated in the Evidence of Insurance, and in reliance upon the statements in the application and subject to the limits of liability shown in the Evidence of Insurance, and subject to all of the terms, conditions, exclusions and limitations of this insurance, **Underwriters at Lloyds, London** (the "**Company**") agrees with the Named Insured as follows:

Article I COVERAGE

A. Professional Liability and Claims Made Clause:

The Company shall pay on behalf of the Insured all sums in excess of the deductible amount stated in the Evidence of Insurance which the Insured shall become legally obligated to pay as damages as a result of **CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE PERIOD OF COVERAGE UNDER THE APPLICABLE EVIDENCE OF INSURANCE:**

- (1) By reason of any alleged or actual act, error, omission in Legal Aid Services or Defender Services rendered or that should have been rendered by the Insured or by any persons for whose acts, errors or omissions the Insured is legally responsible and arising out of the conduct of the Insured's profession as a lawyer or notary public employed to provide Legal Aid Services or Defender Services
- (2) By reason of any alleged or actual act, error, or omission committed by any non-Lawyer employee of the Named Insured or any Insured Organization, but arising solely out of services rendered within the scope of such person's employment by the Named Insured or such Insured Organization

- (3) Because of any alleged or actual Personal Injury by an Insured, subject, however, to the specific sublimits as to Personal Injury set forth in the applicable Evidence of Insurance
- (4) By reason of an Insured's referral of any legal matter to any outside Lawyer groups, or Lawyers thereof, approved by an Insured Organization (*in such regard, see limitations on treatment of outside Lawyers as "insureds" set forth at Section II.B(4) of this policy*); or
- (5) By reason of any alleged or actual act, error or omission in professional services rendered or that should have been rendered by any outside Lawyer groups, or Lawyers thereof, or by any person for whose acts, errors or omissions the Insured is legally responsible, and arising out of any legal matter referred by an Insured Organization to such outside Lawyer groups, or Lawyers thereof, whether or not for compensation (*in such regard, see limitations on treatment of outside Lawyers as "Insureds" set forth at Section II.B(4) of this policy*);
- (6) By reason of any alleged or actual act, error, or omission in professional services rendered or that should have been rendered by an Insured Lawyer or by any person for whose acts, errors or omissions the Insured is legally responsible, and arising out of the conduct of the Insured's Outside Practice of Law, but only if the Evidence of Insurance applicable with respect to such Insured designates "Outside Practice of Law Coverage" as being applicable coverage, and the additional premium for such optional coverage stated therein has been indicated:

PROVIDED ALWAYS THAT such alleged or actual act, error, omission or Personal injury happens subsequent to the retroactive date specified in the applicable Evidence of Insurance, and

- (a) during the policy period, or
- (b) prior to the policy period, *provided that*, prior to the effective date of such Evidence of Insurance:
 - (i) the Insured did not give notice to any other insurer of any such alleged or actual act, error, omission, or personal injury:
 - (ii) the Insured had no reasonable basis to believe that the Insured had committed any act, error, omission, or Personal Injury which would give rise to a claim, or to foresee that a Claim would be made against the Insured; and
 - (iii) there is no other policy or policies which provide insurance for such liability or claim, unless the available limits of liability are insufficient to pay any liability or claim in which event this policy will cover only the excess over such prior coverage, subject to this policy's terms, limits of liability, exclusions, and conditions.

Legal Aid Services, Defender Services, Mediation Services, or professional services performed by the Insured in a lawyer-client relationship on behalf of one or more clients shall be deemed for the purpose of this section to be the performance of professional services for others in the Insured's capacity as a lawyer, although such services could be performed, wholly or in part by non-lawyers.

It is a condition precedent to coverage under this policy that all Claims be reported in compliance with Article V, CLAIMS, Section V.A. Notice of Claim.

B. Disciplinary Proceedings (Defense Coverage Only)

The Company shall provide a defense for any Insured Lawyer in connection with any Disciplinary Proceeding against such Insured AND FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD, PROVIDED ALWAYS THAT such alleged or actual act, error, omission, or Personal Injury which is the basis of such Disciplinary Proceeding happens subsequent to the retroactive date specified in such Evidence of Insurance, and

- (1) During the Policy Period, or
- (2) Prior to the Policy Period, *provided that* prior to the Effective Date of such Evidence of Insurance:
 - (a) The Insured did not give notice to any other insurer of any such alleged or actual act, error omission, or Personal Injury;
 - (b) The Insured had no reasonable basis to believe that the Insured had committed any act, error, omission, or Personal Injury which would give rise to a Disciplinary Proceeding or to foresee that a Disciplinary Proceeding would be made against the Insured and
 - (c) There is no other policy or policies which provide insurance for such defense of such Disciplinary Proceeding, unless the available limits of liability of such prior policy or policies are insufficient to pay the costs of providing such defense, in which event this policy will cover only the excess over any such prior coverage, subject to this policy's terms, limits of liability, exclusions and conditions.

The costs of providing such defense shall constitute Claim Expenses for purposes of this policy, and such Disciplinary Proceeding shall be deemed to be a Claim for purposes of the application of the defense, settlement, and other general provisions of this policy; provided, however, that, notwithstanding any other provision hereof which might be construed to the contrary, the Company shall not be liable for any Damages, fines or penalties which may be imposed on the Insured by reason of such disciplinary claim or proceeding.

It is a condition precedent to coverage under this policy that all Claims be reported in compliance with Article V, CLAIMS, Section V.A. Notice of Claim.

C. Defense of Contempt Proceedings (Defense Coverage Only)

The Company shall provide a defense for any Insured Lawyer in connection with any contempt proceeding against such Insured AND FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD (whether or not an unfavorable adjudication is entered against the Insured Lawyer in such contempt proceeding); PROVIDED ALWAYS THAT such alleged or actual act, error, omission, or Personal Injury which is the basis of such contempt proceeding happens subsequent to the retroactive date specified in such Evidence of Insurance, and

- (1) During the Policy Period, or
- (2) Prior to the Policy Period, *provided that* prior to the Effective Date of such Evidence of Insurance:
 - (a) The Insured did not give notice to any other insurer of any such alleged or actual act, error omission, or Personal Injury;
 - (b) The Insured had no reasonable basis to believe that the Insured had committed any act, error, omission, or Personal Injury which would give rise to a Disciplinary Proceeding or to foresee that a Disciplinary Proceeding would be made against the Insured and
 - (c) There is no other policy or policies which provide insurance for such defense of such Disciplinary Proceeding, unless the available limits of liability of such prior policy or policies are insufficient to pay the costs of providing such defense, in which event this policy will cover only the excess over any such prior coverage, subject to this policy's terms, limits of liability, exclusions and conditions.

D. Management Liability (Optional)

If the Evidence of Insurance applicable with respect to any particular Insured designates "Management Liability Coverage" as being an applicable coverage, and the additional premium for such optional coverage stated therein has been indicated, the Company shall pay on behalf of such Insured all sums in excess of the deductible amount stated in the Evidence of Insurance which the Insured shall become legally obligated to pay as Damages as a result of CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD by reason on any alleged, or actual act, error, misstatement, misleading statement, breach of duty, or omission, based on negligence by the Insured or by any person for whose acts, errors, misstatements, misleading statements, breaches of duty, or omissions the Insured is legally responsible and arising in connection with such Insured's capacity as part of the Management of the Named Insured or Insured Organization named in such Evidence of Insurance: PROVIDED ALWAYS THAT such alleged or actual act, error, misstatement, misleading statement, breach of duty or omission happens subsequent to the retroactive date specified in such Evidence of Insurance, and

- (1) During the Policy Period, or
- (2) Prior to the Policy Period, *provided that* prior to the Effective Date of such Evidence of Insurance:
 - (a) The Insured did not give notice to any other insurer of any such act, error, misstatement, misleading statement, breach of duty or omission;
 - (b) The Insured had no reasonable basis to believe that the Insured had committed any act, error misstatement, misleading statement, breach of duty or omission which would give rise to a Claim, or to foresee that a Claim would be made against the Insured and
 - (c) There is no other policy or policies which provide insurance for such liability or claim, unless the available limits of liability of such prior policy or policies are insufficient to pay any liability or claim, in which event this policy will cover only the excess over any such prior coverage, subject to this policy's terms, limits of liability, exclusions and conditions.

It is a condition precedent to coverage under this policy that all Claims be reported in compliance with Article V, CLAIMS, Section V.A. Notice of Claim.

E. Employment Liability (Optional)

If the Evidence of Insurance applicable with respect to any particular Insured Organization designates "Employment Liability Coverage" as being an applicable coverage, and the additional premium for such optional coverage stated therein has been indicated, the Company shall:

- (1) Provide a defense for any Insured with respect to, and pay on behalf of such Insured all sums in excess of the deductible amount stated in the Evidence of Insurance which the Insured shall become legally obligated to pay as Damages as a result of, any Claim or administrative proceeding brought by or on behalf of an individual who is, was, or hereafter becomes an employee of, or who has sought employment with, such Insured Organization and which arises out of the employment practices of the Insured Organization, such as those with respect to employment, retention and termination and
- (2) Provide a defense for any Insured, but not pay any Damages, fines, or penalties which may be imposed on such Insured, with respect to any Claim made by an employee of such Insured Organization which arises out of (i) the bodily injury, sickness, disease, or death of any person, or injury to or destruction of any tangible property or loss of use resulting therefrom (ii) the violation of any workers compensation, unemployment compensation, employer liability, disability benefit, or other similar laws, or (iii) the assertion that any work premises, tools or practices must be rebuilt, removed, modified, or otherwise changed in order to accommodate the needs of disabled persons,

and FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD; PROVIDED ALWAYS THAT such alleged, or actual act, error, or omission, which is the basis of such Claim happens subsequent to the retroactive date specified in the Evidence of Insurance, and

- (a) During the Policy Period, or
- (b) Prior to the Policy Period, *provided that* prior to the Effective Date of such Evidence of Insurance:
 - (i) The Insured did not give notice to any other insurer of any such act, error or omission
 - (ii) The Insured had no reasonable basis to believe that the Insured had committed any act, error or omission, which would give rise to a Claim or to foresee that a Claim would be made against the Insured and
 - (iii) There is no other policy or policies which provide insurance for such liability or Claim, unless the available limits of liability of such prior policy or policies are insufficient to pay any liability or claim, in which event this policy will cover only the excess over any such prior coverage, subject to this policy's terms, limits of liability, exclusions and conditions.

The costs of providing such defense shall constitute Claim Expenses for purposes of this policy, and such claim of employment liability shall be deemed to be a Claim for purposes of the application of the defense, settlement, and other general provisions of this policy; *provided, however, that*, notwithstanding any other provision hereof which might be construed to the contrary, the Company shall not be liable for any Damages, fines or penalties which may be imposed on the Insured by reason of a Claim under Section I.E(2) above.

It is a condition precedent to coverage under this policy that all Claims be reported in compliance with Article V, CLAIMS, Section V.A. Notice of Claim.

F. Defense Settlement

With respect to the insurance afforded by this policy, the Company shall defend any Claim against the Insured, including the appeal thereof, seeking Damages to which this insurance applies even if any of the allegations of the suit are groundless, false, or fraudulent. It is further agreed that the Company may make such investigation of any Claim as it deems expedient, but the Company shall not be obligated to pay any claim or judgement or to defend, or to continue to defend any Claim after the limits of the Company's liability have been exhausted by payment of any Damages or Claims Expenses.

G. Consent to Settle

The Company shall not settle any Claim without the consent of the Insured, unless otherwise agreed between the Company and the Insured; *provided, however, that* if the Insurance shall refuse to consent to any settlement or compromise recommended by the Company and shall elect to contest the Claim or continue any legal proceedings in connection with such Claim, then the Company's liability for the Claim shall not exceed and shall be limited to, the amount for which the Claim could have been settled, or compromised, plus the amount of Claim Expenses incurred up to the date of such refusal. Thus, in the event of such refusal, when and if the Claim Expenses with respect to the Claim equal the amount for which the Claim could have been settled or compromised, the Company shall have the right to withdraw from the further investigation and/or defense thereof by tendering control of such investigations or defense to the Insured, and the Insured agrees, as a condition of the issuance of this policy, to accept such tender.

H. Discovery Clause

If, during the Policy Term or any optional Extended Claims Reporting Period purchased hereunder, the Insured first becomes aware that an Insured has committed a specific act, error, misstatement, misleading statement, breach of duty, omission, or Personal Injury for which coverage is otherwise provided hereunder, and if the Insured shall, during the Policy Period or the optional Extended Claims Reporting Period purchased hereunder, give notice to the Company of:

- (1) The specific act, error, misstatement, misleading statement, breach of duty, omission, or Personal Injury,
- (2) The injury or damage which has or may result from such act, error, misstatement, misleading statement breach of duty, omission, or Personal Injury, or
- (3) The circumstances by which the Insured first became aware of such act, error, misstatement, misleading statement, breach of duty, omission, or Personal Injury

then any Claim that may subsequently be made against the Insured arising out of such alleged or actual act, error, misstatement, misleading statement, breach of duty, omission, or Personal Injury shall be deemed for the purposes of this insurance to have been made during the Policy Period or during the optional Extended Claims Reporting Period purchased hereunder.

The insured shall cooperate fully with the Company as provided in Article V, CLAIMS, Sections V.A. and V.B. Notice of Claim and Assistance and Cooperation of the Insured, and any investigation conducted by the Company or its representatives shall be subject to the terms set forth in this policy.

I. Extended Claims Reporting Period

- (a) The Insured Organization shall have a non-cancelable Extended Claims Reporting Period of thirty (30) days starting at the expiration of coverage shown in Item 3 of the Evidence of Insurance, provided the Named Insured has purchased no other coverage to replace this policy.
- (b) OPTIONAL EXTENDED CLAIMS REPORTING PERIOD: If the Named Insured does not renew this policy, or if any Insured Organization does not renew its coverage under the Evidence of Insurance applicable to such Insured Organization, as the case may be, after complying with all the terms and conditions thereof, including the payment of all premiums and/or deductibles when due, or if the Company shall cancel or refuse to renew this policy or the coverage of an Insured Organization under an Evidence of Insurance for reasons other than the Named Insured's or Insured Organization's non-payment of premiums and/or deductibles or material breach of the terms and conditions of this policy, or the applicable Evidence Insured Organization, upon payment of an additional premium as set forth herein shall have the option to extend the insurance afforded by this policy and any applicable Evidence of Insurance, subject otherwise to the terms, limits of liability, exclusions and conditions thereof, to apply to CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING A 12 MONTH PERIOD following immediately upon the effective date of such cancellation or termination, but only by reason of any alleged or actual act, error, omission or Personal Injury arising out of professional services rendered, before such effective cancellation or termination date and otherwise covered by this insurance.

If purchased, the extension of coverage for claims made subsequent to cancellation or termination of the policy or an Evidence of Insurance, as applicable, shall be endorsed hereto or upon the applicable Evidence of Insurance, and shall hereinafter be referred to as the "**Extended Claims Reporting Period**".

The premium for the Optional Extended Claims Reporting Period elected by the Named Insured or the applicable Insured Organization shall be calculated at 100% of the full annual premium stated in the applicable Evidence of Insurance for the 12 month Period.

As a condition precedent to the Named Insured's or Insured Organization's right to purchase the optional Extended Claims Reporting Period coverage, the full annual premium for this policy or the applicable Evidence of Insurance and any deductible that are due must have been paid.

The Named Insured's or Insured Organization's right to purchase the Optional Extended Claims Reporting Period coverage must be exercised by written notice to the Company not later than thirty (30) days after the cancellation or termination date of this policy or any Evidence of Insurance, as applicable, AND MUST INCLUDE PAYMENT OF PREMIUM FOR THE OPTIONAL EXTENDED CLAIMS REPORTING PERIOD as well as payment of all premiums and/or deductibles due the Company.

If such notice, premium and deductible payments are not so given to the Company, the Named Insured or Insured Organization shall not at a later date be able to exercise such right.

At the commencement of the optional Extended Claims Reporting Period, the entire premium therefor shall be deemed earned and in the event that the Named Insured or Insured Organization terminates the optional Extended Claims Reporting Period before its term for any reason, the Company shall not be liable to return to the Named Insured or such Insured Organization any portion of the premium for the optional Extended Claims Reporting Period.

The fact that the period during which Claims must be first made against the Insured and reported to the Company under this policy extended by virtue of the optional Extended Claims reporting Period shall not in any way increase the limits of liability of this policy.

Article II **DEFINITIONS**

- A. Named Insured**, whenever used in this policy, means the CIMA Liability Protection Program for Legal Services and Defender Services Professionals and Specified Insured Organizations.
- B. Insured**, whenever used in this policy means:
- (1) the Named Insured;
 - (2) Any Insured Organization
 - (3) Any Lawyer while acting in a professional capacity on behalf of the Named Insured, or an Insured Organization;
 - (4) Solely for purposes of the Professional Liability coverage and Outside Referral Coverage provided for under Section I.A of this Policy, any Lawyer while acting in a professional capacity performing Legal Aid Services or Defender Services on behalf of any client referred to such Lawyer by the Named Insured or the applicable Insured Organization, whether or not compensation is received for such services, but, notwithstanding anything in this policy which might be construed to the contrary no outside Lawyer shall be deemed to be an Insured with respect to any matter not considered Legal Aid Services, Defender Services or Mediation Services;
 - (5) Any non-Lawyer who is, was or hereafter becomes an employee of the Insured or any Insured Organization solely while acting in such capacity;
 - (6) Any person who is, was, or hereafter becomes an uncompensated, part-time or full-time volunteer of an Insured Organization solely while acting in such capacity;
 - (7) Any person who is, was, or hereafter becomes a director or trustee of the Named Insured or any Insured Organization; and

(8) As respects the liability of each Insured otherwise covered herein, the heirs, executors, administrators, assignees, and legal representatives of each Insured in the event of such Insured's death, incapacity, or bankruptcy.

C. Insured Organization, whenever used in this policy, means any legal services or defender services organization named in an Evidence of Insurance issued pursuant to this policy.

D. Claim, whenever used in this policy, means a demand received by the Insured for money or services, including the service of suit or institution of arbitration proceedings against the Insured.

E. Claim Expenses, whenever used in this policy, means:

- (1) fees charged by any lawyer designated by the Company;
- (2) all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a claim, if incurred by the Company;
- (3) Fees charged by any lawyer designated by the Insured with the written consent of the Company;
- (4) Premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this policy, and all premiums on appeal bonds required in any such defended suit, but without any obligation on the Company to apply for or furnish any such bonds; and
- (5) All costs assessed against the Insured in any such defended suit and all interest accruing after entry of judgement until the Company has paid or tendered or deposited in court such part of such judgement as does not exceed the limit of the Company's liability thereon.

However, "Claim Expenses" does not include salary charges of regular employees or officials of the Company or any supervisory counsel retained by the Company.

F. Damages, whenever used in this policy, means a monetary judgment, award or settlement and does not include fines, statutory penalties, or sanction, whether imposed by law or otherwise, nor the return of or restitution of legal fees, costs, and expenses.

G. Disciplinary Proceeding, whenever used in this policy, means any proceeding against an Insured by or before any judicial or regulatory authority (including any state bar association) based upon or arising out of an asserted violation,

breach, or infraction of any code of professional conduct or ethics arising out of the conduct of the Insured's profession as an attorney or notary public.

- H. Lawyer**, whenever used in this policy, means any person who is authorized to practice law in the jurisdiction in which such person renders Legal Aid Services, Defender Services, or other professional services.
- I. Legal Aid Services**, whenever used in this policy, means legal services or legal advice in matters provided by an Insured to a client who is unable to afford legal assistance elsewhere for financial or other reasons.
- J. Management**, whenever used in this policy with respect to the Named Insured or any Insured Organization, means any officer, director, trustee, manager, or other person or groups of persons who control, direct, administer, or manage such Named Insured or Insured Organization.
- K. Outside Practice of Law**, whenever used in this policy with respect to any particular Insured Lawyer, means the uncompensated provision of legal services or legal advice to a client who is not entitled to receive Legal Aid Services or Defender Services from the Insured Organization which employs the Lawyer, if (i) the provision of such services has been duly authorized by such Insured Organization and (ii) the Lawyer is acting pursuant to an appointment made under a court rule or practice of equal applicability to all attorneys in the Lawyer's jurisdiction or on behalf of a close friend or family member or a religious, community or charitable group.
- L. Personal Injury**, whenever used in this policy, means:
- (1) any false arrest, detention or imprisonment
 - (2) any wrongful entry or eviction, or other invasion of private occupancy;
 - (3) any malicious prosecution;
 - (4) any publication or utterance of a libel or a slander or other defamatory or disparaging material;
 - (5) any publication or utterance in violation of an individual's right of privacy; or
 - (6) any mental distress, mental anguish, mental illness or humiliation
- M. Policy Period**, whenever used in this policy, means the period from the inception date of this policy to the policy expiration date as set forth in the Master Policy Declarations or its earlier termination date, if any; provided, however, with respect to any Evidence of Insurance as to which the Period of Coverage (subject to any early termination in accordance with this policy)

extends past the end of what would otherwise be the Policy Period, the Policy Period shall be deemed to continue throughout such Period of Coverage.

- N. Defender Services**, whenever used in this policy, means legal services or legal advice in matters provided by an Insured to a client accused of a crime who is unable to afford legal assistance elsewhere for financial or other reason.
- O. Mediation Services**, whenever used in this policy, means professional services provided by the Insured Organization, whether by an Insured Lawyer or non-attorney employed by the Insured Organization, for the purpose of attempting to mediate or resolve a dispute between two or more parties, neither of whom is the client of the Insured Organization Insured Lawyer.

Article III **LIMITS OF LIABILITY**

A. Limit of Liability - Each Claim

The liability of the Company for payment of Damages, including Claim Expenses, incurred for each Claim **FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD**, including the Extended Claims Reporting Period, if purchased, shall not exceed the amount stated in the applicable Evidence of Insurance for each Claim.

B. Limit of Liability - Aggregate

The liability of the Company for payment of all Damages, including all Claim Expenses, shall not exceed the amount stated in the applicable Evidence of Insurance as “aggregate” as a result of all Claims **FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD**, including the Extended Claims Reporting Period, if purchased.

C. Deductible

The deductible amount stated in the Evidence of Insurance shall be paid by the applicable Insured Organization and shall be applicable to all Damages and Claim Expenses, whether or not payment for Damages is made.

The total payments requested from an Insured Organization with respect to all covered Claims reported during the Policy Period or any Optional Extended Claims Reporting Period shall not exceed the deductible amount stated in the applicable Evidence of Insurance.

D. Multiple Insureds, Claims and Claimants

The limits of liability set forth herein and in each Evidence of Insurance issued by the Company pursuant to this Policy shall be applied, separately as to the

applicable Insured Organization with respect thereto and shall not be reduced or otherwise affected by the limits of liability applicable to any other Insured Organization. The inclusion herein or more than one Insured or the making of Claims or the bringing of suits by more than one person or organization shall not operate to increase the Company's limit of liability per Insured Organization. Two or more claims arising out of a single alleged or actual act, error, omission or Personal Injury, or a series of related alleged or actual acts, errors, omissions or Personal Injuries, shall be treated as a single Claim with respect to each Insured Organization affected. All such claims, whenever made, shall be considered first made at the time the earliest Claim arising out of such alleged or actual act, error, omission, or Personal Injury, or related acts, errors, omissions, or Personal Injuries, was first made, and all such claims shall be subject to the same limits of liability with respect to each applicable Insured Organization.

E. Payment and Apportionment of Claim Expenses

All Claim Expenses shall first be subtracted from the limit of liability, with the remainder, if any, being the amount available to pay as Damages.

**Article IV
EXCLUSIONS**

A. This policy does not apply:

- (1) to any judgment or final adjudication based upon or arising out of any dishonest, deliberately fraudulent, criminal, maliciously or deliberately wrongful acts, errors, omissions, or Personal Injuries committed by the Insured or asserting a violation of the Racketeer Influenced and Corrupt Organizations ("RICO") Act or similar laws; *provided, however, that*, subject to the limits of liability under this policy, the Company will provide a defense against the allegation of any such act, error, omission, or Personal Injury unless an unfavorable adjudication of such allegation is entered against the Insured;
- (2) to any claim made by or against any business enterprise not named in the Evidence of Insurance, which is owned by the Insured or in which the Insured is a partner or employee, or which is controlled, operated, or managed by the Insured, either individually or in a fiduciary capacity, including the ownership, maintenance, or use of any property in connection therewith, or to any Claim made against the Insured solely because the Insured is a partner, officer, director, stockholder or employee of any business enterprise not named in the Evidence of Insurance;
- (3) To liability arising out of the Insured's activities and/or capacity as:
 - (a) An owner, officer, director, partner, trustee or employee of a business enterprise, charitable organization, pension, welfare,

profit-sharing, mutual or investment fund or trust or other organization, other than the Named Insured or an Insured Organization to the extent that the optional Management Liability Coverage, if obtained, is applicable:

- (b) A fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto, except if an Insured is deemed to be a fiduciary solely by reason of legal advice rendered with respect to an employee benefit plan. This exclusion shall not apply to the optional Employment Liability coverage, if purchased, and if coverage is applicable thereunder;
- (4) To any Claim made by a present, former, or prospective partner, officer, director, trustee, stockholder, or employee of the Insured unless such Claim arises out of the professional services of the Insured in a lawyer-client relationship, except to the extent that the optional Employment Liability Coverage, if obtained, is applicable;
- (5) To any Claim based upon or arising out of the employment practices of the Insured, such as those with respect to employment, retention and termination except to the extent that the optional Employment Liability Coverage, if obtained, is applicable;
- (6) To punitive damages, exemplary damages, treble damages, or any other damages resulting from the multiplication of compensatory damages, except to the extent otherwise set forth in the Evidence of Insurance applicable to an Insured (in which event the specific sublimits of liability set forth therein shall apply, but only where the insurability of such damages are not in violation of any statutes, laws or public policy);
- (7) To any liability for bodily injury, sickness, disease or death of any person, or injury to or destruction of any tangible property or loss of use resulting therefrom;
- (8) To any Claim asserting a violation of any workers compensation, unemployment compensation, employer liability, disability benefit, or other similar laws;
- (9) To any Claim by one Insured against any other Insured, except to the extent that the optional Employment Liability Coverage, if obtained, is applicable;
- (10) To any liability under any contract or agreement except an engagement contract or agreement providing for the provision of Legal Aid Services or Defender Services by an Insured Organization to its client and except to the extent that the optional Employment Liability Coverage, if obtained, is applicable;

- (11) To any Claim based upon or arising out of professional services rendered or work performed by any Insured for compensation, except when these professional services rendered or work performed is for Legal Aid Services or Defender Services;
- (12) To any Claim for the return or an accounting of any funds *provided, however, that* subject to the limits of liability under this policy, the Company will provide a defense against such Claim;
- (13) To any Claim based upon or arising out of the alleged nonpayment of any federal, state or local taxes, or any penalties, interests, or costs in connection therewith;
- (14) To fines, penalties, sanctions, costs, or fees imposed by a court for the violation of the rules of procedure, state or federal, *provided, however, that* the Company shall provide a defense against the imposition of any such fines, penalties, sanctions, costs, or fees to the extent provided in this policy with respect to the Disciplinary Proceedings and except to the extent otherwise set forth in the Evidence of Insurance applicable to an Insured as to the defense of contempt proceedings (in which event, the specific sublimits of liability set forth therein shall apply).
- (15) To any liability of any Insured resulting from or in any manner related to an individual's right to or claimed right to unemployment insurance benefits. Such liability to which this Policy does not apply includes but is not limited to the following:
 - (1) Any increased tax liability resulting from an individual's claim for unemployment benefits; and
 - (2) Any increased liability for insurance premium(s) resulting from an individual's claim for unemployment benefits.

If the optional Employment Liability Coverage is purchased, Exclusion (13) will apply only to the payment of damages, awards, or settlements resulting from such claims but the Company will defend the Insured Organization against such claim. The limit of liability applicable for this coverage will be the amount set forth in the Evidence of Insurance for Employment Liability.

For the purpose of determining the application of any of the foregoing exclusions, the alleged or actual act, error, omission, or Personal Injury of any one Insured shall not be imputed to any other Insured.

Article V
CLAIMS

A. Notice of Claim

As a condition precedent to the right to the protection afforded by this insurance, the Insured shall, as soon as practicable, give to the Company written notice of any Claim made against the Insured.

In the event suit is brought against the Insured, the Insured shall immediately forward to the Company every demand, notice, summons, or other process received directly or by the Insured's representatives.

An Insured Organization shall have knowledge of a Claim against it, or of any demand, notice, summons, or other process received by it, only if an executive officer of such Insured Organization has actual knowledge of such Claim or receipt.

B. Assistance and Cooperation of the Insured

The Insured shall cooperate with the Company and upon the Company's request shall submit to examination and interrogation by a representative of the Company, under oath if required, and shall attend hearings, depositions and trials and shall assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits, as well as in the giving of a written statement or statements to the Company's representatives and meeting with such representatives for the purpose of investigation and/or defense, all without charge to the Company. The Insured shall further cooperate with the Company to secure and effect any rights of indemnity, contribution, or apportionment which the Insured may have. The Insured shall exercise the Insured's right to either reject or demand the arbitration of any Claim made against the Insured in accordance with the written instructions of the Company. The Insured shall not, except at his own cost, make any payment, admit any liability, settle any claims, assume any obligation or incur any expense without the written consent of the Company.

C. Subrogation

In the event of any payment under this policy, the Company shall be subrogated to all the Insured's rights of recovery therefor against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after the claim to prejudice such rights.

The Company shall not exercise any such rights against any persons, firms, organizations or corporations included in the definition of "Insured". Notwithstanding the foregoing, however, the Company reserves the right to exercise any rights of subrogation against an Insured in respect of any claim brought about or contributed to by the intentional, dishonest, fraudulent, criminal or malicious act or omission of such Insured.

D. Joining of Company as Co-Defendant; Bankruptcy of Insured

Nothing contained in this policy shall give any person or organization the right to join the Company as a co-defendant in any action against the Insured to determine the Insured's liability.

Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Company of any of its obligations hereunder.

E. False or Fraudulent Claims

If any Insured shall commit fraud in proffering any claim as regards amount or otherwise, this insurance shall become void as to such Insured from the date such fraudulent claim is proffered.

Article VI
CONDITIONS

A. Other Insurance

This insurance shall be in excess of the amount of the applicable deductible of this policy and any other valid and collectible insurance available to the Insured, whether such other insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise, unless such other insurance is written only as a specific excess insurance over the limits of liability provided in this policy.

B. Changes

The terms of this policy shall not be changed, except by endorsement issued to form a part of this policy.

Notice to and knowledge of an agent of the Company shall be considered notice to and knowledge of the Company, and any fact which breaches a condition of this policy and is known to the agent prior to a loss shall not void this policy or defeat a recovery hereunder in the event of loss.

C. Assignment

Assignment of interest under this policy shall not bind the Company unless its consent is endorsed in writing hereon.

D. Cancellations

This policy or an Evidence of Insurance may be cancelled by the Named Insured or by an Insured Organization, as applicable, by surrender of this policy or the Evidence of Insurance, as applicable, to the Company or by mailing or delivering to the Company written notice stating when thereafter such cancellation shall be effective. If cancelled by an Insured, the Company shall retain the customary short rate proportion of the premium.

If this policy or an Evidence of Insured has been in effect for 60 days or less, the Company may cancel this policy or such Evidence of Insurance by mailing or delivering to the Named Insured or Insured Organization as applicable, written notice of cancellation stating the reason for the cancellation. Such notice shall be mailed or delivered at least 10 days before the effective date of cancellation if the Company cancels for nonpayment of any premium or deductible when due, or at least 60 days before the effective date of cancellation if the Company cancels for any other reason.

If this policy or an Evidence of Insurance has been in effect for more than 60 days or is a renewal of a policy or Evidence of Insurance the Company issued, the Company may cancel this policy or such Evidence of Insurance only for one or more of the following reasons by mailing or delivering to the Named Insured or Insured Organization, as applicable, written notice of cancellation stating the reason for the cancellation:

- (1) Nonpayment of any premium or deductible when due;
- (2) Discovery of fraud or material misrepresentation made by an Insured or with an Insured's knowledge in obtaining, continuing or presenting a Claim under the policy or Evidence of Insurance, as applicable.

Such notice shall be mailed or delivered at least 10 days before the effective date of cancellation if the Company cancels for nonpayment of any premium or deductible when due, or at least 60 days before the effective date of cancellation if the Company cancels for any other reason.

If cancelled by the Company, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected or as soon as practicable thereafter.

The effective date of cancellation stated in any notice of cancellation by the Insured or the Company shall become the end of the Policy Period.

E. Service of Suit (Not applicable in NJ, PA, DC, LA or IL)

It is agreed that in the event of the failure of the Company to pay any amount Claimed to be due hereunder, the Company, at the request of the Insured, will submit to the jurisdiction of any court of competent jurisdiction within the United States of America or Canada and will comply with all requirements necessary to give such court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such court.

It is further agreed that service of process in such suit may be made upon John Hubbuch or his nominee at McCullough, Campbell & Lane, 205 North Michigan Ave, Suite 4100, Chicago, Illinois, 60601-5925, and that in any suit instituted against any one of them upon this policy, this Company will abide by the final decision of such court or any appellate court in the event of an appeal.

The above named is authorized and directed to accept service of process on behalf of the Company in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that it or they will enter a general appearance upon this Company's behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States of America or province of Canada which makes provision therefor, the Company hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this policy of insurance and hereby designates the above-named as the person to whom the said officer is authorized to mail such process or true copy thereof.

F. Notices

All notices or other communications required by this policy shall be addressed as follows:

- (1) If to the Company:

XS/Group, Inc.
2750 Killarney Drive, Suite 202
Woodbridge, VA 22192

- (2) If to any Insured:

At the address for such Insured stated on the applicable Evidence of Insurance or at the last address for such Insured designated by written notice to the Company

G. Territory

The insurance afforded under this policy applies worldwide.

H. Innocent Insured

Whatever coverage under this Policy would be excluded, suspended or lost:

- (1) because of any exclusion relating to criminal, dishonest, fraudulent, malicious or intentional conduct by any Insured, and with respect to which any other Insured did not personally participate or personally acquiesce or remain passive after having personal knowledge thereof: or
- (2) because of noncompliance with any condition related to the giving of notice to The Company, with respect to which any Insured shall be in default solely because of the default or concealment of such default by one or more other Insureds hereunder;

The Company agrees that such insurance as would otherwise be afforded under this Policy shall be applicable with respect to each and every Insured who did not personally participate or personally acquiesce in or remain passive after having personal knowledge of the conduct described or forming the basis for such exclusion or condition; provided that if the condition be one with which such Insured can comply, after receiving knowledge thereof, the Insured entitled to the benefit of this provision shall comply with such condition promptly after obtaining knowledge of the failure of any other Insured to comply therewith.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned on the Master Policy Declarations Page by a duly authorized representative of the Company.

UNDERWRITERS AT LLOYD'S, LONDON

By: *Laurie S. Coleman*
Authorized Representative