



HILARY ANN VARNER
Sentinel Risk Advisors, LLC
4700 SIX FORKS RD
Suite 200
RALEIGH, NC 27609
919-926-4623

Business Insurance Proposal

SOUTHERN CONFERENCE OF NATIONAL COUNCIL OF ARCHITECTURE REGISTRATION BOARDS

PO BOX 17332
RALEIGH, NC 27619

Proposed Policy Period
07/30/2025 - 07/30/2026

Proposal valid for 60 days from the date quote was created.

Date Prepared 07/11/2025

This is not a policy.



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PREMIUM SUMMARY

The Cincinnati Insurance Company

Named Insured: SOUTHERN CONFERENCE OF NATIONAL COUNCIL OF ARCHITECTURE REGISTRATION
BOARDS

Address: PO BOX 17332
RALEIGH, NC 27619

Agency: Sentinel Risk Advisors, LLC

Proposed Policy Period: 07/30/2025 - 07/30/2026

Coverage	Premium
General Liability	\$650
Terrorism	\$25
Total Annual Premium	\$675.00

Ask your agent about various billing and payment options.

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The Cincinnati Advantage

LEADING WITH STRENGTH AND SERVICE

Our Ability to Pay Claims



Everything Insurance Should Be®

Ratings

The Cincinnati Insurance Companies serve businesses, families and individuals. Our policies are backed by our strong surplus, assuring that resources will be there to pay policyholder claims. Each company in Cincinnati's standard market property casualty insurance group earns high insurer financial strength ratings:

A.M. Best Co. – A+ (Superior)

This independent provider of insurer ratings since 1899 awards its A+ (Superior) financial strength rating to Cincinnati's property casualty group. Only the top approximately 12% of property casualty insurer groups receive A.M. Best's A+ or A++ ratings in the Superior category. Best cites the group's superior risk-adjusted capitalization, conservative loss reserving and operating fundamentals, along with favorable balance sheet liquidity, growing use of predictive modeling and successful distribution within our targeted regional markets.

Fitch Ratings – A+ (Strong)

Fitch Ratings cites Cincinnati's conservative capitalization, well-managed reserves and strong agency distribution system in awarding its A+ insurer financial strength rating.

Moody's Investors Service – A1 (Good Financial Security)

Moody's A1 rating of the standard market property casualty group is supported by Cincinnati's entrenched regional franchise, good risk-adjusted capital position, consistent reserve strength, strong financial flexibility and substantial holding company liquidity.

S&P Global Ratings – A+ (Strong)

S&P cites multiple factors supporting Cincinnati's A+ (Strong) rating, including the group's very strong capitalization and strong competitive position, which is supported by a very loyal and productive independent agency force and low-cost infrastructure.

Service

Cincinnati markets insurance exclusively through a select group of local independent agents who deliver exceptional products and services. This means you can rely on someone who knows your community, its businesses and people, and who works hard to earn your loyalty and continued business over the long term. Together with local Cincinnati claims representatives, they have built Cincinnati's reputation as one of the top insurers, confirmed time after time in independent surveys of agents and consumers.

Cincinnati's business is helping people recover financially after losses, working to preserve their dignity in the process. Cincinnati excels as a company by responding to claims person to person, and building financial strength to meet future obligations. Cincinnati's ability to pay claims is fully supported by a consistent reserving approach and a highly rated, diversified bond portfolio that significantly exceeds our liability for estimated future claims.

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage.



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POLICY NAMED INSURED SCHEDULE

NAME

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Please recycle.

GENERAL LIABILITY

Cincinnati liability insurance helps to financially protect you and your assets, leaving you free to focus on your business. Your policy comes with loss control services to help you manage risk and includes:

- coverage for injury or damage caused by the goods you've sold or work you've performed; for offenses arising out of the advertising of your goods and services; and for false arrest, libel, slander and wrongful eviction of others
- coverage for personal and advertising injury arising out of an insured contract
- contractually assumed defense costs provided outside of policy limits
- a general aggregate limit that automatically applies separately at each location (for ongoing operations) owned by, or rented or leased to you and to each construction project (for ongoing operations)

Your agent can help you tailor an insurance program specific to your needs, choosing from a variety of coverage options:

- **Broadened General Liability** – Increases limits or adds coverage in one convenient form for employee benefit liability, automatic additional insured for specified relationships, expanded legal liability coverage for premises rented to you and medical payments.
- **Employee Benefits Liability** – Covers your errors and omissions in administering your employee benefits, such as accidentally failing to enroll an employee in an offered plan.
- **Employment Practices Liability Insurance (EPLI)** – Covers claims of wrongful termination and age or sex discrimination.
- **Sexual Misconduct Liability** – Provides legal liability coverage for damages because of injury arising out of sexual misconduct or molestation.
- **Worldwide Business Liability** – Protects you when doing business in most parts of the world.

Premises Operations and Products/Completed Operations

Occurrence Limit: \$1,000,000

General Aggregate: \$2,000,000

Products Aggregate Limit: \$2,000,000

Personal and Advertising Injury Limit: \$1,000,000

Exclusion Personal and Advertising Injury: No

Exclusion Damage to Premises Rented to You: No

Exclusion Employees and Volunteer Workers as Insureds: No

Medical Payments: \$10,000

Excess Med Pay: No

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ALL LOCATIONS	LIMIT	PREMIUM
Broadened Endorsement		\$150.00
<u>Classification Description</u>	<u>Premium Basis</u>	<u>Premium</u>
41669 CLUB-CIV.SERV.SOC-N/BLDS-PRM-OWN/LEASE OT NFP	Each	
Prem/Op Exposure: 144		\$113.00
Prod/CO Exposure: Included		Included
Increase Needed for Coverage Part Minimum Premium of \$500		\$387.00
TOTAL GENERAL LIABILITY PREMIUM		\$650.00

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Coverage Summary**CGL BROADENED ENDORSEMENT**

Commercial General Liability Broadened Endorsement GA210

This summarizes the coverages provided by the listed insurance forms, depending on the coverage option purchased or quoted. Higher limits that appear in an e-CLAS® sales proposal replace the limits listed. In the event of a conflict, the actual policy terms, conditions, limitations and exclusions shall prevail.

Liability Coverages	Limits
Automatic additional insured when required in a written contract for: lessors of premises, lessors of equipment, vendors, mortgagees, assignees, receivers, and state or political subdivision's permits relating to premises	Included
Bodily injury includes mental anguish	Included
Broadened notice of occurrence	Included
Employee benefit liability (\$1,000 deductible)	\$1 million each employee/ \$3 million aggregate
Employees as insureds for specified healthcare services (nurses, EMTs and paramedics)	Included
Expands damage to premises rented to insured to include lightning, smoke, soot or water	At the lesser of \$500,000 or the CGL each occurrence limit
Former employees as insureds	Included
Good samaritan coverage for employees or volunteers	Included
Medical payments	\$10,000 any one person
Newly formed or newly acquired organizations for up to 180 days	Included
Nonowned aircraft	Included
Property damage from reasonable force used to protect persons or property	Included
Property damage to borrowed equipment when not in use (\$250 deductible)	\$10,000 each occurrence
Supplementary payments: <ul style="list-style-type: none"> • bail bonds • loss of earnings 	\$2,500 \$500 per day
Unintentional failure to disclose existing hazards provisions	Included
Waiver of subrogation if required in a written contract	Included



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FORM SCHEDULE

FORM NUMBER	COVERAGE PART	FORM NAME
IA102A 09/2008	General Policy	Summary of Premiums Charged
IA325 01/2023	General Policy	War Exclusion
IA329 01/2024	General Policy	Exclusion - Perfluorinated Compounds (PFC) and Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)
IA4117NC 08/2016	General Policy	North Carolina Changes - Cancellation And Nonrenewal
IA4236 06/2020	General Policy	Policyholder Notice Terrorism Insurance Coverage
IA4238 01/2015	General Policy	Cap On Losses From Certified Acts Of Terrorism
IA4338 05/2024	General Policy	Signature Endorsement
IA4407 03/2013	General Policy	Notice to Policyholders Direct Bill Account Credit Procedure
IA4443 04/2025	General Policy	CLD Policy Cover Letter
IA4521 03/2020	General Policy	Notice Of Privacy Practices
IA4541NC 07/2022	General Policy	North Carolina Changes - Coverage Term
IA4991 06/2017	General Policy	Commission Schedule
IA509 01/2012	General Policy	Common Policy Declarations
IL0017 11/1998	General Policy	Common Policy Conditions
IL0021 09/2008	General Policy	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
IP446 08/2001	General Policy	Notice To Policyholders
CG0001 04/2013	Commercial General Liability	Commercial General Liability Coverage Form
CG2002 11/1985	Commercial General Liability	Additional Insured--Club Members
CG2106 05/2014	Commercial General Liability	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability - With Limited Bodily Injury Exception
CG2132 05/2009	Commercial General Liability	Communicable Disease Exclusion
CG2147 12/2007	Commercial General Liability	Employment - Related Practices Exclusion
CG2503 05/2009	Commercial General Liability	Designated Construction Project(s) General Aggregate Limit
CG2504 05/2009	Commercial General Liability	Designated Location(s) General Aggregate Limit
GA210 06/2023	Commercial General Liability	Commercial General Liability Broadened Endorsement
GA3064 09/2020	Commercial General Liability	Exclusion - Asbestos
GA3074 06/2023	Commercial General Liability	Exclusion - Cyber Liability
GA310 10/2001	Commercial General Liability	Exclusion of Special Events
GA4531 09/2020	Commercial General Liability	Amendment - Pollutant Definition
GA4533 12/2022	Commercial General Liability	Commercial General Liability Amendatory Endorsement
GA4566 06/2022	Commercial General Liability	Amendment - Recording and Distribution of Material or Information in Violation of Law Exclusion

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FORM SCHEDULE

FORM NUMBER	COVERAGE PART	FORM NAME
GA532 07/2008	Commercial General Liability	Commercial General Liability Coverage Part Declarations

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CINCINNATI BILLED POLICIES — PAYMENT PLANS AND OPTIONS



Everything Insurance Should Be®

For policies billed by Cincinnati

You'll receive billing statements from and pay your insurance premiums directly to Cincinnati. Save up to \$5 for each installment when you pay your premiums using electronic funds transfer.

Pay plan options

Monthly:

- no minimum annual premium
- installment fees up to \$5 apply for each payment, unless paid using EFT

Quarterly and semi-annual:

- no minimum annual premium
- first installment due at policy inception
- fees up to \$5 apply for each installment, unless paid using EFT

Annual:

- full payment due at policy inception
- no installment fees apply

Payment options

You can pay your insurance premiums directly to Cincinnati with the method that best suits your needs:

Electronic funds transfer:

- You complete a form authorizing Cincinnati to set up automatic, ongoing withdrawals for each installment from your checking or savings account.
- Installment fees do not apply when payment is made by EFT (Not available in Texas or Nevada)
- If you initially choose another payment option, Cincinnati includes a prefilled EFT form with your first account statement and/or premium notice, giving you the option to switch to EFT for future payments.

Online:

- Visit cinfin.com to pay online.
- To set up an online payment, refer to your Cincinnati account statement or premium-due notice for the information you need.
- You can pay by Visa®, MasterCard® or Discover® card, debit card, checking account or savings account.
- This method allows access for multiple payors on the account.
- You initiate each payment; you *cannot* schedule recurring payments.
- You can pay immediately or schedule a single payment for a future date up to the payment due date.
- Payments confirmed by 3 p.m. Eastern Time are processed the same day (Monday through Friday, excluding legal holidays).
- For assistance with online payment services, please call 888-242-0888.

By phone:

- You can pay immediately by dialing 800-364-3400.
- Refer to your Cincinnati account statement and/or premium-due notice for the information you need.
- You can pay by Visa, MasterCard or Discover card, debit card, checking account or savings account.
- This method allows access for multiple payors on the account.
- You initiate each payment; you *cannot* schedule recurring payments.
- Payments confirmed by 3 p.m. Eastern Time are processed the same day (Monday through Friday, excluding legal holidays).

By check:

- Please pay by check and send through the mail, allowing sufficient time for postal delivery.
- Mail to: The Cincinnati Insurance Companies, Cincinnati, OH, P.O. Box 145620, 45250-5620.

Your agent can help you choose the pay plan and payment method that best fits your needs.

TERRORISM COVERAGE



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What is the Terrorism Act?

The Terrorism Risk Insurance Act of 2002 established a program under which the federal government shares with the insurance industry the risk of loss from certain future acts of terrorism, and – in the case of workers' compensation coverage – loss from acts of war.

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Terrorism is a violent act or an act dangerous to life, property or infrastructure committed by an individual or individuals as part of an effort to coerce the population or government of the United States that results in aggregate losses of \$5 million or more.

Your new insurance proposal includes terrorism coverage

In compliance with the Act, we offer on this proposal terrorism coverage for lines of business on which the Act applies. Terrorism coverage is limited to acts certified under the federal program and by the terms, conditions, exclusions, limits, endorsements, provisions of your policy and any applicable laws to which this coverage quote applies.

Your Premium Summary shows the total charges for terrorism coverage. Cincinnati charges premiums for terrorism coverage based only on our portion of the potential losses and not the federal government's portion paid under the Act. While we encourage policyholders to keep terrorism coverage, you may reject coverage by signing a rejection form, which your independent agent representing Cincinnati can provide.

Renewal policies

When you are renewing a policy, your renewal proposal will include the terrorism coverage described above, even if you previously signed a rejection statement for one or more lines of insurance.

- To purchase this coverage, please contact your agent for additional information.
- If you **do not** wish to purchase the proposed terrorism coverage, please complete and sign a new rejection form that your agent can provide.

Thank you for trusting your agent and Cincinnati to protect your business.

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage.

- ☐ **The Cincinnati Insurance Company**
- ☐ **The Cincinnati Casualty Company**
- ☐ **The Cincinnati Indemnity Company**

CERTIFIED ACTS AND OTHER ACTS OF TERRORISM INSURANCE REJECTION FORM

You should read this document carefully and contact us or your agent if you have any questions regarding insurance coverage for Certified Acts of Terrorism and Other Acts of Terrorism. No coverage is provided by this document.

Under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. For information regarding the availability of coverage for Certified Acts and Other Acts of Terrorism, subject to an additional premium, please contact your insurance agent.

The undersigned policyholder or applicant acknowledges and understands that terrorism insurance coverage has been offered pursuant to the Terrorism Risk Insurance Act and its amendments and the policyholder has chosen to reject coverage for Certified Acts and Other Acts of Terrorism.

The rejection of coverage for Terrorism is valid and binding on all insureds and persons claiming benefits under the policy/application.

This rejection of coverage for Terrorism will apply to any renewal, reinstatement, substitute, amended, altered, modified, transfer or replacement policy with this company or with any affiliated company unless the Named Insured makes a written request to the company to exercise a different option.

Your Acknowledgment:

By signing below, I acknowledge that:

1. I intend that my selection will apply to me and to all other persons or organizations that may be eligible for coverage under this policy.
2. I understand that my selection applies to all subsequent renewals or amendments of my policy unless I request otherwise in writing.
3. I have read and understand the purpose and content of this form and the consequences of my selection.
4. I am legally authorized to make decisions concerning the purchase of Terrorism Insurance Coverage.

Name of Insurance Company

Policy/Application Number

Policyholder/Applicant

Applicant Signature

Date

Agent

Agent Signature

Date

ABOUT US

Building Trust and Following the Golden Rule



Everything Insurance Should Be®

FULFILLING OUR PROMISES

For more than 70 years, we have been working with independent agents to provide the appropriate coverages to help you restore your livelihood and regain a sense of stability in the community after disaster strikes.

Choosing Cincinnati Insurance means that beyond the appropriate products and services, you value consistency and quality in your insurance buying decisions. You can trust Cincinnati to lead with financial strength, and keep our promises by paying all that is due under each policy contract.

Earning your trust

Consider the Cincinnati experience from the viewpoint of others by visiting cinfm.com/service to review service stories and videos.

More than 90% of our policyholders are highly satisfied with the overall claims process, based on almost 27,000 standard lines auto and property policyholders responding to claims satisfaction surveys with an 8, 9 or 10 on a 10-point scale¹.

Leading with financial strength

Ranking among the nation's top 25 property casualty insurers groups, based on net written premiums, we've been included among a select group of carriers that have been ranked² A or higher by A.M. Best Company for more than 50 years. Three other independent rating firms also award us with strong ratings that help assess our ability to meet our financial obligations to you, so you can rest easy. We see our financial strength, including our nearly \$6 billion in policyholder surplus as of year-end 2022, as an opportunity to better serve you – from improved coverages to exceptional service.

ACTIONS SPEAK LOUDER IN PERSON®

Living where our customers live

You will receive professional advice from your local independent agent who represents us and is supported by Cincinnati representatives, living and working in or near your agent's community.

Empowering our associates

Our unique field structure places local marketing and claims decision-makers in the communities they serve. The field claims representative assisting you holds the authority to make decisions and to write checks on the spot for many types of claims. In addition to our local representatives, in the event of a natural disaster, we will activate storm teams and send additional Cincinnati associates who will help to restore your lifestyle and peace of mind quickly, by handling your claims in-person.

Following the Golden Rule

We treat others as we would like to be treated, complementing the service you receive from your agent by reviewing each claim with honesty, integrity and compassion and paying all that is due under your policy. You can count on prompt and personal service – delivered with empathy – to get you back on track.

For information about Cincinnati Insurance, please visit cinfm.com.

² Ratings are effective as of the edition date of this form, under continuous review and subject to change and/or affirmation. For the latest financial strength ratings and information about our published rankings, independent surveys and studies, please visit cinfm.com.





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MANAGEMENT LIABILITY Pillar - Non-Profit Organizations Proposal

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Agency: Sentinel Risk Advisors, LLC

Proposed Policy Period: 07/01/2025 - 07/01/2028

Coverage	Premium
Nonprofit Organization D&O	\$1,303
Employment Practices Liability	\$320
Crime	\$1,258
Terrorism	\$25
Total Annual Premium	\$2,906.00

In order to bind/issue:

- Billing Option

Ask your agent about various billing and payment options.

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The Cincinnati Advantage

LEADING WITH STRENGTH AND SERVICE

Our Ability to Pay Claims



Everything Insurance Should Be®

Ratings

The Cincinnati Insurance Companies serve businesses, families and individuals. Our policies are backed by our strong surplus, assuring that resources will be there to pay policyholder claims. Each company in Cincinnati's standard market property casualty insurance group earns high insurer financial strength ratings:

A.M. Best Co. – A+ (Superior)

This independent provider of insurer ratings since 1899 awards its A+ (Superior) financial strength rating to Cincinnati's property casualty group. Only the top approximately 12% of property casualty insurer groups receive A.M. Best's A+ or A++ ratings in the Superior category. Best cites the group's superior risk-adjusted capitalization, conservative loss reserving and operating fundamentals, along with favorable balance sheet liquidity, growing use of predictive modeling and successful distribution within our targeted regional markets.

Fitch Ratings – A+ (Strong)

Fitch Ratings cites Cincinnati's conservative capitalization, well-managed reserves and strong agency distribution system in awarding its A+ insurer financial strength rating.

Moody's Investors Service – A1 (Good Financial Security)

Moody's A1 rating of the standard market property casualty group is supported by Cincinnati's entrenched regional franchise, good risk-adjusted capital position, consistent reserve strength, strong financial flexibility and substantial holding company liquidity.

S&P Global Ratings – A+ (Strong)

S&P cites multiple factors supporting Cincinnati's A+ (Strong) rating, including the group's very strong capitalization and strong competitive position, which is supported by a very loyal and productive independent agency force and low-cost infrastructure.

Service

Cincinnati markets insurance exclusively through a select group of local independent agents who deliver exceptional products and services. This means you can rely on someone who knows your community, its businesses and people, and who works hard to earn your loyalty and continued business over the long term. Together with local Cincinnati claims representatives, they have built Cincinnati's reputation as one of the top insurers, confirmed time after time in independent surveys of agents and consumers.

Cincinnati's business is helping people recover financially after losses, working to preserve their dignity in the process. Cincinnati excels as a company by responding to claims person to person, and building financial strength to meet future obligations. Cincinnati's ability to pay claims is fully supported by a consistent reserving approach and a highly rated, diversified bond portfolio that significantly exceeds our liability for estimated future claims.

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage.



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NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY

COVERAGE	LIMIT
Nonprofit Organization D&O	\$1,000,000*
*Policy Level Shared Annual Aggregate Limit Applies - No	
Investigative Costs Sublimit	\$100,000
Excess Benefit Transaction Tax Sublimit (per organizational manager)	\$20,000
Employed Lawyers Limit	Not Covered
Additional Defense	Not Covered
Excess Side A	\$1,000,000

COVERAGE	DEDUCTIBLE
Nonprofit Organization D&O	\$5,000
Deductible does not apply to non-indemnifiable loss.	
Employed Lawyers	N/A

Retroactive Date: N/A

Prior or Pending Date: 07/01/2025

Continuity Date: 07/01/2025

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Cincinnati reserves the right to requote the business if you request changes to this quote, if information used to develop the quote changes, or if you accept only portions of the total coverage offered. Acceptability of the risk presented by you and use of scheduled credits or debits is subject to approval by Cincinnati.

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EMPLOYMENT PRACTICES LIABILITY

COVERAGE	LIMIT
Employment Practices Liability	\$1,000,000*
*Policy Level Shared Annual Aggregate Limit Applies - No	
Wage and Hour Defense Sublimit	\$100,000
Immigration Defense Sublimit	\$100,000
Optional Third Party Liability Sublimit	\$1,000,000
Workplace Violence Expense Limit	\$250,000
Additional Defense	Not Covered

COVERAGE	DEDUCTIBLE
Employment Practices Liability	\$5,000
Optional Third Party Liability	\$5,000
Workplace Violence Expense	\$0

Retroactive Date: N/A

Prior or Pending Date: 07/01/2025

Continuity Date: 07/01/2025

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CRIME

COVERAGE	LIMIT	DEDUCTIBLE
Employee Theft	\$250,000	\$2,500
Forgery or Alteration	\$250,000	\$2,500
Inside the Premises	\$250,000	\$2,500
Outside the Premises	\$250,000	\$2,500
Computer Fraud	\$250,000	\$2,500
Funds Transfer Fraud	\$250,000	\$2,500
Money Orders and Counterfeit Money	\$250,000	\$2,500
Clients' Property	\$250,000	\$2,500
Claim Expense	\$5,000	\$0
Social Engineering Fraud	\$250,000	\$25,000

EMPLOYEE BENEFIT PLAN(S) INCLUDED AS INSUREDS:

All plans governed by ERISA and sponsored solely by the Named Insured as of the effective date of coverage and any such plan added during the Policy Period.

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Business Insurance

SOCIAL ENGINEERING FRAUD CRIME COVERAGE

Controlling Loss From Fraudulent Impersonation



Access to information poses growing risks

You may think that your business is not vulnerable to the risks associated with public or private sources of information about you or your company. Consider these possibilities of loss due to crimes and scams known as social engineering fraud:

- Your supply manager receives a telephone call from someone posing as an employee of a familiar subcontractor. Your manager fills the request for \$100,000 of building materials and has them shipped to the address provided. The real subcontractor calls and says they never ordered those supplies. The contractor's website was hacked and the fraudster deceived your employee into thinking the order was legitimate. Your building materials are long gone.
- Your chief accountant receives a text that appears to be from your vice president of sales requesting a wire transfer to a new branch operation your organization is opening. The fraudster gathered enough information from your company's website to deceive your unsuspecting employee into transferring the money.

Preventive measures

The number and level of sophistication of social engineering fraud scams are rising as quickly as ways to use social media. Fraudsters use communications such as email, texting, phishing, phone calls or social media to trick an unsuspecting employee into parting with your money, securities or tangible property. It's a new kind of crime that most crime policies don't cover. You can protect your assets with a few preventive measures:

- Secure your own website to prevent outsiders from hacking into your system to gain information they can use in a scam by installing an up-to-date firewall and anti-virus software
- Set up separate prearranged PIN numbers, code words and other identification protocols for clients and vendors, and store them offline in paper files that can't be hacked or easily used in a scam
- Train your employees to carefully verify the sender's email address and text numbers for any request to send or transfer money or products – even to known vendors, customers or banks, because it's a common scam to use email addresses that are one letter off from a legitimate one
- Require supervisor approval of all transfer requests, especially to new requestors or foreign locations
- Adopt controls that limit the amount that can be transferred without supervisor approval

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage.



Contact your agent for insurance protection

By adding Cincinnati's Social Engineering Fraud Endorsement, available with our commercial or management liability crime coverages, you can protect your business from the loss of valuable assets in the event of a fraudulent transfer request.

Thank you for trusting your agent and Cincinnati to protect your business.



Everything Insurance Should Be®

Our loss control service is advisory only. We assume no responsibility for management or control of customer loss control activities or for implementation of recommended corrective measures. These materials were gathered from trade services and public information. We have not tried to identify all exposures. We do not warrant that this information is consistent with the underwriting guidelines of The Cincinnati Insurance Company and its subsidiaries or with any federal, state or local law, regulation or ordinance.

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SOCIAL ENGINEERING FRAUD

What is Social Engineering Fraud?

Social engineering fraud includes a variety of methods, such as phishing, pretexting and baiting, used by fraudsters to manipulate someone into voluntarily providing confidential information, opening malicious software or transferring funds.

PROTECT YOUR INFORMATION:



Install an up-to-date firewall and anti-virus software



Never click on links, download files or open email attachments from unknown senders



Train and test employees on how to identify suspicious emails



Shred or destroy documents, computer hardware and software before disposal



Monitor social media outlets, open sources and commercial websites to prevent sensitive information from being posted online

PREVENT FRAUDULENT TRANSFERS:



Limit the dollar amounts or number of times money can be transferred in a certain period without supervisor approval



Require supervisor approval for all new clients and foreign locations



Add banners to emails from external senders to remind employees to be cautious of attachments and links



Authenticate funds transfer instructions or changes to account details (bank routing numbers, account numbers, telephone numbers or contact information) from clients by:

- Calling or texting the customer at a predetermined number to confirm the request
- Requiring a PIN or receipt code known only by the customer and you and kept in secure, offline files with limited access



Keep records of your verification process



Consult with cyber security professionals to create an actionable incident response plan

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To report a claim: You may call us directly, 877-242-2544, or contact your independent agent.

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FORM SCHEDULE

FORM NUMBER	COVERAGE PART	FORM NAME
ADV1498 01/2023	General Policy	Tools To Help You Manage Risk
ADV1611 10/2020	General Policy	Risk Management for NonProfit Organizations
ADV1702A 10/2020	General Policy	Social Engineering Fraud
IA4234 01/2015	General Policy	Policyholder Notice Terrorism Insurance Coverage
IA4338 05/2024	General Policy	Signature Endorsement
IA4407 03/2013	General Policy	Notice to Policyholders Direct Bill Account Credit Procedure
IA4421 03/2013	General Policy	Disclosure of Direct Bill Fees and Charges
IA4427 02/2013	General Policy	Notice of Loss Control Services
IA4521 03/2020	General Policy	Notice Of Privacy Practices
IA4991 06/2017	General Policy	Commission Schedule
IP446 08/2001	General Policy	Notice to Policyholders
ML101 01/2020	General Policy	General Provisions
ML384 04/2023	General Policy	Amended War Exclusion
ML400 01/2016	General Policy	Summary of Premiums Charged
ML4129NC 08/2016	General Policy	North Carolina Changes - Cancellation and Nonrenewal
ML4130NC 08/2016	General Policy	North Carolina Changes - Pillar Policy Program
ML4131NC 08/2016	General Policy	North Carolina Changes - Crime Coverage
ML4293 04/2024	General Policy	Extended Reporting Period - Deletion of Termination Clause
ML458 01/2016	General Policy	Cap on Losses from Certified Acts of Terrorism
ML501 01/2016	General Policy	Pillar Common Policy Declarations
ML105 01/2018	Nonprofit Organization Directors and Officers Liability	Nonprofit Organization Directors and Officers Liability Coverage
ML207 01/2021	Nonprofit Organization Directors and Officers Liability	Capital Endorsement
ML308 01/2016	Nonprofit Organization Directors and Officers Liability	Accreditation and Standard Setting Exclusion
ML311 01/2016	Nonprofit Organization Directors and Officers Liability	Antitrust Exclusion
ML329 01/2016	Nonprofit Organization Directors and Officers Liability	Professional Liability Exclusion (Scheduled)
ML357 01/2021	Nonprofit Organization Directors and Officers Liability	Amended Cyber Exclusion
ML360 09/2023	Nonprofit Organization Directors and Officers Liability	Biometric Information Privacy Exclusion
ML505 01/2016	Nonprofit Organization Directors and Officers Liability	Nonprofit Organization Directors and Officers Liability Coverage Part Declarations
ML112 01/2018	Employment Practices Liability	Employment Practices Liability Coverage

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FORM SCHEDULE

FORM NUMBER	COVERAGE PART	FORM NAME
ML205 01/2018	Employment Practices Liability	Workplace Violence Expense Coverage Endorsement
ML361 09/2023	Employment Practices Liability	Biometric Information Privacy Exclusion
ML4195 09/2018	Employment Practices Liability	Notice of Post-Event Services - Workplace Violence Expense Coverage
ML4224 01/2021	Employment Practices Liability	Employee Privacy Violation Endorsement
ML512 01/2016	Employment Practices Liability	Employment Practices Liability Coverage Part Declarations
ML116 01/2016	PI Crime	Crime Coverage
ML201 04/2024	PI Crime	Social Engineering Fraud
ML373 09/2021	PI Crime	Insured Initiated Transfer Exclusion
ML4249 01/2021	PI Crime	Subsidiary Coverage Endorsement
ML4271 01/2021	PI Crime	ERISA Inflation Guard
ML435 01/2016	PI Crime	Change in Control of the Insured - Notice to the Company
ML444 01/2016	PI Crime	Include Volunteer Workers as Employees
ML516 01/2018	PI Crime	Crime Coverage Part Declarations

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PAY PLANS AND PAYMENT OPTIONS



Everything Insurance Should Be®

Policies billed by your agency

Quarterly, semi-annual, and annual pay plans are available when you receive invoices from your **agency** and you pay your insurance premiums directly to your agency. For eligible accounts, *three-year prepaid pay plans* are also available. Please discuss with your agent the various ways to pay your premiums.

Policies billed by Cincinnati

Monthly plus the above pay plans are available for Cincinnati-billed policies. You receive billing statements from and pay your insurance premiums directly to The Cincinnati Insurance Companies.

Monthly:

- no minimum annual premium
- installment fees up to \$5 apply for each payment, unless paid using EFT

Quarterly and semi-annual:

- no minimum annual premium
- first installment due at policy inception
- fees up to \$5 apply for each installment, unless paid using EFT

Annual:

- full payment due at policy inception
- no installment fees apply

Three-year prepaid plan for eligible accounts:

- full payment due at policy inception
- no installment fees apply

Four ways you can pay your Cincinnati-billed policy

You can pay your insurance premiums directly to Cincinnati with the method that best suits your needs:

1) **Electronic funds transfer:**

- You complete a form authorizing Cincinnati to set up automatic, ongoing withdrawals for each installment from your checking or savings account.
- Installment fees do not apply when payment is made by EFT (Not available in Texas, Nevada or Massachusetts.)
- If you initially choose another payment option, Cincinnati includes a prefilled EFT form with your first account statement and/or premium notice, giving you the option to switch to EFT for future payments.

2) **Online:**

- Visit cinfin.com to pay online.
- To set up an online payment, refer to your Cincinnati account statement or premium-due notice for the information you need.
- You can pay by Visa®, MasterCard® or Discover® card, debit card, checking account or savings account.
- This method allows access for multiple payors on the account.
- You initiate each payment; you *cannot* schedule recurring payments.
- You can pay immediately or schedule a single payment for a future date up to the payment due date.
- Payments confirmed by 3 p.m. Eastern Time are processed the same day (Monday thru Friday, excluding legal holidays).
- For assistance with online payment services, please call 888-242-0888.

3) **By phone:**

- You can pay immediately by dialing 800-364-3400.
- Refer to your Cincinnati account statement and/or premium-due notice for the information you need.
- You can pay by Visa, MasterCard or Discover card, debit card, checking account or savings account.
- This method allows access for multiple payors on the account.
- You initiate each payment; you *cannot* schedule recurring payments.
- Payments confirmed by 3 p.m. Eastern Time are processed the same day (Monday thru Friday, excluding legal holidays).

4) **By check:**

- Pay by check and send through the mail.
- Please allow sufficient time for postal delivery.
- Mail to: The Cincinnati Insurance Companies, P.O. Box 145620, Cincinnati, OH 45250-5620.

Your agent can offer you the pay plan that works best for your business.

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TERRORISM COVERAGE



Everything Insurance Should Be®

What is the Terrorism Act?

The Terrorism Risk Insurance Act of 2002 established a program under which the federal government shares with the insurance industry the risk of loss from certain future acts of terrorism, and – in the case of workers' compensation coverage – loss from acts of war.

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Terrorism is a violent act or an act dangerous to life, property or infrastructure committed by an individual or individuals as part of an effort to coerce the population or government of the United States that results in aggregate losses of \$5 million or more.

Your new insurance proposal includes terrorism coverage

In compliance with the Act, we offer on this proposal terrorism coverage for lines of business on which the Act applies. Terrorism coverage is limited to acts certified under the federal program and by the terms, conditions, exclusions, limits, endorsements, provisions of your policy and any applicable laws to which this coverage quote applies.

Your Premium Summary shows the total charges for terrorism coverage. Cincinnati charges premiums for terrorism coverage based only on our portion of the potential losses and not the federal government's portion paid under the Act. While we encourage policyholders to keep terrorism coverage, you may reject coverage by signing a rejection form, which your independent agent representing Cincinnati can provide.

Renewal policies

When you are renewing a policy, your renewal proposal will include the terrorism coverage described above, even if you previously signed a rejection statement for one or more lines of insurance.

- To purchase this coverage, please contact your agent for additional information.
- If you **do not** wish to purchase the proposed terrorism coverage, please complete and sign a new rejection form that your agent can provide.

Thank you for trusting your agent and Cincinnati to protect your business.

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage.

The Cincinnati Insurance Companies

Business Insurance

EMPLOYMENT PRACTICES LIABILITY INSURANCE

Managing Risk Through Employment Connection Hotline



Receive exceptional service

To help you manage risk, Cincinnati's policyholders who have our Employment Practices Liability Insurance can call our Employment Connection hotline for guidance prior to making employment-related decisions. It's easy to receive access to this service for no additional charge:

- Eligible employment practices liability-related calls must be made on a pre-claim basis. If you have placed Cincinnati or your agent on notice of a potential claim, or tendered any coverage for a claim, please do not call the hotline for advice related to that claim.
- Call toll free, 888-811-3427, with your general questions, Monday-Friday, 8 a.m.-8 p.m Eastern time. Weekend and holiday calls are returned the next business day.
- Identify yourself, the named insured and policy number.

Ask unlimited general questions

Use the hotline for questions about your company's employment practices, policies and laws, such as:

- Hiring, firing, promoting and reducing workforce; discipline decisions and exempt and nonexempt wage and hourly issues
- Equal Employment Opportunity Commission topics – Title VII, Section 1981, Section 1983, ADEA, ADA and related issues; state discrimination and age claims; religious discrimination, accommodation and Family Medical Leave Act issues
- I-9 compliance
- Document retention policies
- Social media and internet policies
- Affordable Care Act and health reform issues
- Violence in the workplace

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Management Liability

PILLAR™ NONPROFIT ORGANIZATION DIRECTORS & OFFICERS LIABILITY COVERAGE



How D&O liability coverage protects you

Directors and officers make discretionary decisions that may affect anyone who has a relationship with the institution: shareholders, regulatory agencies, creditors, suppliers, competitors and patients. Anyone who believes they have been harmed as a result of those decisions may take legal action, requiring you to incur costly expenses to defend your organization and its directors and officers.

When you have directors and officers coverage, it helps protect you and your institution. Consider what could happen without D&O coverage:

- Contributors can sue directors for violating their duties of care and loyalty to the organization, which may result in financial problems for the nonprofit.
- Nonprofit organizations generally don't have the funds to pay for high legal fees to defend their directors and officers. D&O policies protect the assets of nonprofit organizations. Otherwise, the organizations' assets would be needed to indemnify their directors and officers.

Providing the insurance you need

D&O liability coverage insures against claims alleging wrongful acts committed by insureds acting on behalf of your organization. You receive protection for covered claims, relieving you and any other insured person of the need to pay the significant defense costs and potential settlements or judgments.

Having the proper protection in place also helps you to attract and retain the most qualified people, especially when you have coverage that has a broad definition of insured and provides a duty to defend. That way, you don't need to fund your own defense and apply for reimbursement.

Adding protection for unexpected expenses

You can count on your agent to include our optional Capital Endorsement that for a flat premium charge bolsters your protection with 20 additional coverage features, including an additional Side A D&O limit and unexpected cancellation, travel, crisis and other expenses, after covered incidents. Each coverage feature has its own limit. Most features pay in addition to other insurance provided under a Cincinnati or other carriers' policy, except a few features that indicate otherwise.

Protecting your assets

You can trust your local independent agent recommending coverage to understand your organization and see it as you see it. Together, we can customize an insurance program to help protect the personal assets of your directors and officers and the financial strength of your organization with Cincinnati's Pillar nonprofit organization D&O liability coverage.

**Liability protection
can relieve you of the
need to pay for defense
costs, settlements
or judgments.**



Selecting the right company

With Cincinnati's Pillar management liability coverage, know that you have an exceptional insurance program from a company offering:

- A management team specifically dedicated to keeping your program on the leading edge
- Superior claims service provided by Cincinnati professionals
- High financial strength rating from A.M. Best Co., reflecting our ability to pay claims and keep our promises. Please visit cinfm.com and Financial Strength to see our latest ratings

- For qualifying accounts, three-year policy terms with rates that won't increase during the term in most states for many coverages, saving you the added time and expense of annual renewals

Please see below for a more complete summary of coverages. Your agent recommending Cincinnati can provide more details, answer questions and add the coverage you need.

NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE, ML105

General Provisions Applicable to All Liability Coverage Parts, ML101

This summarizes the coverages provided by the listed insurance forms, depending on the coverage option purchased or quoted and the forms approved in each state. Any higher limits that appear in your sales proposal replace the standard limits listed. For complete details of the terms, conditions, limitations and exclusions, please see your policy.

INSURING AGREEMENTS, ML105		
A. Insured Persons	Pays on behalf of insured persons all covered loss that they are legally obligated to pay	
B. Indemnification	Pays on behalf of the organization all covered loss that it's required to pay as indemnification to the insured persons	
C. Organization	Pays on behalf of the organization all covered loss that it is legally obligated to pay	
Coverage	Description	Cincinnati D&O ML105 & ML101
COVERAGE FEATURES		
Allocation	Covers 100% of defense costs when allocating between losses that are covered and not covered	✓
Antitrust coverage	Applies no exclusion for allegations of violations of antitrust regulations	✓
Claim reporting	Requires a claim to be reported when an executive has knowledge of it. If insureds other than executives have knowledge of the claim, there is no penalty for failure to report	✓
Contractual liability ¹	Includes coverage for defense costs for contractual liability claims for insured persons	✓
Extended reporting period	Provides an automatic ERP for no additional premium	90 days
Failure to maintain insurance	Applies no exclusion for failure to maintain insurance	✓

¹ Not applicable in NY

NONPROFIT ORGANIZATION D&O LIABILITY COVERAGE

Coverage	Description	Cincinnati D&O ML105 & ML101
COVERAGE FEATURES (cont'd)		
Insured vs. insured exclusion	Includes exceptions to provide coverage for claims brought by:	
	• an examiner, trustee, receiver, liquidator, rehabilitator, bankruptcy trustee or similar official, or creditors committee	✓
	• an executive, director or officer who has not served as an insured person of the organization for at least a one year period	✓
	• an insured person who is not an executive, director or officer or person who is not receiving assistance from one	✓
	• a whistleblower pursuant to any federal, state or local statutory or common law	✓
Liberalization	Includes liberalization to provide updated coverage to existing policyholders	✓
Misconduct allegations ¹	Includes defense costs coverage for allegations of misconduct (deliberately fraudulent, dishonest, criminal or malicious, willful violation of statute/law, or gaining profit to which the insured is not entitled) until adverse results to the insured are no longer able to be appealed	✓
Misrepresentation look-back period	Limits coverage for misrepresentations on the application to only the current policy and to warranties or representations made within the last three years	✓
New subsidiaries	Provides automatic coverage for newly acquired or formed subsidiaries regardless of size	✓
Order of payments	Prioritizes protection of personal assets	✓
Outside directorship liability	Includes coverage for insured persons for service as an officer or member of the board of directors, trustees, regents, managers, governors, or equivalent position for an organization, which is described as 501(c)(2), (3), (4), (6), (7), (8), (10), (19) or 501(d)	✓
Parent company and franchisor extension ¹	Extends coverage to a parent company or franchisor at the insured's request	✓
Patent infringement	Applies no exclusion to insured persons for allegations of patent infringement and misappropriation of trade secrets	✓
Personal injury	Provides protection from claims alleging acts such as invasion of privacy, libel, slander or defamation	✓
Prior acts coverage	Provides protection for wrongful acts occurring prior to the inception of coverage	✓
Publishers liability	Provides protection from claims alleging acts such as plagiarism, copyright infringement or misappropriation of ideas	✓
Rescission	Protects you because the insurer cannot rescind coverage	✓
Securities coverage	Applies no exclusion for violation of securities laws	✓
Settlement provision	Provides insured with 90 percent of settlement/judgment in excess of the settlement offer rejected by the insured. We will not settle a claim without consent of the insured	✓
Severability of exclusions	Applies to:	
	• insured persons so that all exclusions are severable and the knowledge or wrongful acts of one insured person are not imputed to other insureds • the conduct exclusion only so that conduct pertaining to an executive is imputed only to the organization	✓ ✓
Spouse/domestic partner coverage ²	Extends protection to the spouse or domestic partner of an insured person in their role as a spouse or domestic partner	✓
Territory	Applies coverage to wrongful acts occurring anywhere in the world unless it violates U.S. economic or trade sanctions	✓

² Domestic partners not covered in NY

NONPROFIT ORGANIZATION D&O LIABILITY COVERAGE

Coverage	Description	Cincinnati D&O ML105 & ML101
COVERAGE FEATURES (cont'd)		
Insured	Broad definition of insured includes:	
	• named insured	✓
	• subsidiaries that are more than 50 percent owned by the insured, including for-profit subsidiaries if disclosed on the application	✓
	• members of the board of directors, trustees, regents, managers, governors or equivalent position	✓
	• officers, employees, committee members and volunteers	✓
	• independent contractors the insured has agreed to provide indemnification	✓
Claim	• debtor in possession	✓
	Broad definition of claim includes:	✓
	• written demand for monetary damages or other relief	✓
	• civil, administrative or regulatory proceedings	✓
	• arbitration or mediation proceedings	✓
	• criminal proceedings after indictment	✓
Loss	• written request to toll or waive statute of limitations	✓
	• civil, administrative, regulatory or criminal investigations of insured persons	\$100,000 sublimit
	Broad definition of loss includes the defense costs incurred and the amount the insured becomes legally obligated to pay to include:	
	• punitive and exemplary damages with most favorable venue wording ¹	✓
	• excess benefit transaction tax coverage ¹	\$20,000 sublimit per organizational manager
OPTIONS AVAILABLE		
Capital Endorsement, ML207	Provides 20 additional coverage features and limits for various unexpected expenses and incidents, including an additional Side A D&O limit	✓
Continuity of coverage	Offers an option for continuity of coverage	Subject to approval
Defense costs outside limits ³	Provides additional unlimited insurance dedicated to the payment of defense costs, preserving the entire purchased limit for settlements/judgments	Subject to approval
Employed lawyers professional liability coverage	Covers claims arising from legal services provided by the insured's employed lawyers	Subject to approval
Excess Side A	Provides an additional limit of liability for insured persons	\$1 million
Extended reporting period	Offers flexible options:	
	• 12-month ERP (Three-year ERP in NY)	Available to all accounts
	• ERP of other lengths	Subject to approval
Shared limit of insurance	• period to request ERP after cancellation	Up to 60 days
	Provides the ability to select specific coverages that share a limit and to receive a premium discount for those coverages	✓

³ Automatically included in VT

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage. This is not a policy. For a complete statement of the coverages and exclusions, please see the policy contract. "The Cincinnati Insurance Companies", "Cincinnati Insurance" and "Cincinnati" refer to member companies of the insurer group providing property and casualty coverages through The Cincinnati Insurance Company or one of its wholly owned subsidiaries – The Cincinnati Indemnity Company or The Cincinnati Casualty Company. Each insurer has sole financial responsibility for its own products. Not all subsidiaries operate in all states. Do not reproduce or post online, in whole or in part, without written permission. © 2020 The Cincinnati Insurance Company. 6200 S. Gilmore Road, Fairfield, OH 45014-5141.

PILLAR™ MANAGEMENT LIABILITY POLICY

Coverage Overview

Pillar Management Liability Coverage

Conveniently receive a flexible approach by combining valuable management liability coverages in one policy:

- Directors and officers liability
- Employment practices liability
- Fiduciary liability
- Cyber risk
- Crime

Qualifying financial institutions may also select coverage for:

- Bankers professional liability
- Trust services errors and omissions
- Specialized crime protection available on a separate policy



Pillar provides a flexible approach to combining valuable coverages in one policy.



Everything Insurance Should Be®

cinfin.com

Why purchase Pillar?

Even well-run organizations face legal challenges. You can be saddled with significant defense costs if:

- A highly paid executive is replaced by a younger, lower-paid employee. The executive sues for age discrimination.
- Participants in a 401(k) plan sue the plan's administrator, the plan and the sponsor, alleging violations of the trust agreement that lead to significant loss of plan assets.
- An employee is dismissed and sues the employer for wrongful termination.

How will you spend your time and resources?

Would a judgment or settlement negatively impact the financial strength of your corporation or organization? Or worse yet, put you out of business? Do you have the resources to coordinate an effective defense?

Innovative

Since 1982, Cincinnati has written D&O and fiduciary liability insurance. Cincinnati was also one of the first standard carriers to introduce employment practices liability coverage.

Pillar continues this innovation by letting you choose the coverage that fits your needs. Combining coverages reduces the likelihood of coverage gaps or overlaps, so you don't have to worry about becoming involved in disputes between multiple insurers. Combining coverages also simplifies reporting claims and reduces your paperwork with only one application needed in most cases.

Specialized options for your organization

You receive innovative and diverse management liability products that include coverage features specific to:

- Nonprofit organizations
- Community associations
- Educational institutions
- Healthcare institutions
- Privately held companies
- Financial institutions

Flexible

Pillar allows you to choose the same or different limits of insurance for each coverage. You can opt for a common limit to be shared by whichever coverage parts you choose. Ask about any special coverage or policy condition to accommodate your situation.

Our policies offer many built-in and optional coverages to include adding our Capital Endorsement for community associations and nonprofit organizations. The endorsement bolsters your D&O protection with 20 additional features, including an additional Side A D&O limit and cancellation, travel, crisis and other expenses, after covered incidents. Each coverage feature has its own limit. Most features pay in addition to other insurance provided under a Cincinnati or other carriers' policy, except a few features that indicate otherwise. Your agent can work with us to customize a policy made to order for you, so you pay only for the coverage you need.



Personal service

A select group of local independent insurance agencies represents Cincinnati. As your neighbors, independent agents understand your needs and risks. They work hard to give you value and service that support long-term relationships. Please visit cinfin.com to read about the most recent published rankings, studies and independent surveys of agents and consumers that consistently rate Cincinnati as one of the top insurers.

Financial strength

Property casualty policyholders count on Cincinnati's financial strength. Their policies are backed by Cincinnati's high surplus, assuring that resources will be there when policyholders need them.

Independent rating agencies affirm Cincinnati's high financial strength, placing it among the top standard market property casualty insurer groups. Please visit cinfin.com and Financial Strength for our latest ratings.

Thank you for trusting your agent and Cincinnati to protect your business.

Management Liability

PILLAR™ EMPLOYMENT PRACTICES LIABILITY COVERAGE



Why buy Employment Practices Liability Insurance?

Even innocent employers find themselves in court when allegations arise. They are vulnerable from the moment they place a classified ad, accept an employment application, interview a prospective employee, hire an employee or provide references for a former employee:

- Employers can be held liable for the actions of their employees – It's easy to make a mistake, and diligent managers don't know what all employees are doing at all times.
- Employment laws and regulations are complex and constantly changing – It's a challenge for your directors, managers, supervisors and employees to stay aware of new rulings and interpretations.

Consider a few examples when having employment practices liability coverage helps protect you and your organization:

- A retail store fires an employee for stealing. The employee sues the company, claiming the termination was in retaliation for filing a workers' compensation claim.
- A highly paid executive is replaced by a younger, lower paid employee and sues for age discrimination.
- An individual sues a former employer for allegedly slanderous comments made to a prospective employer.

Providing the insurance you need

EPLI protects your business or organization and your employees when confronted with allegations that an employee's rights were violated. You receive protection for covered claims, relieving you and other insureds from paying significant defense costs and potential settlements or judgments.

Having the proper protection in place also helps you to attract and retain the most qualified people. When you have coverage that has a broad definition of insured and provides a duty to defend, you don't need to fund your own defense and apply for reimbursement.

Protecting your business or institution

You can trust your local independent agent recommending coverage to understand your organization and see it as you see it. Together, we can customize an insurance program to help protect you and the financial well-being of your organization.

Please see the next page for a more complete summary of coverages for protecting your organization.

**Access a toll-free
number for help with
your employment-
related questions for
no additional charge.**



EMPLOYMENT PRACTICES LIABILITY COVERAGE, ML112

General Provisions Applicable to All Liability Coverage Parts, ML101

This summarizes the coverages provided by the listed insurance forms, depending on the coverage option purchased or quoted and the forms approved in each state. Any higher limits that appear in your sales proposal replace the standard limits listed. For complete details of the terms, conditions, limitations and exclusions, please see your policy.

Coverage	Description	Cincinnati ML112 & ML101
COVERAGE FEATURES		
Allocation	Covers 100 percent of defense costs when allocating between losses that are covered and not covered	✓
Claim reporting	Requires a claim to be reported after an executive has knowledge of it. If insureds other than executives have knowledge of the claim, there is no penalty for failure to report	✓
Extended reporting	Provides an automatic ERP for no additional premium	90 days
Immigration coverage	Covers defense costs for claims arising out of a criminal investigation for hiring illegal aliens, violating the Immigration Reform and Control Act of 1986	\$100,000 sublimit
Liberalization	Includes liberalization to provide updated coverage to existing policyholders	✓
Misrepresentation look-back period	Limits coverage for misrepresentations on the application to only the current policy and to warranties or representations made within the last three years	✓
New subsidiaries	Coverages automatically regardless of size	✓
Parent company and franchisor extension ¹	Extends coverage at the insured's request	✓
Prior acts coverage	Covers wrongful acts occurring prior to the inception of coverage	✓
Punitive damages ¹	Defines loss with the most favorable venue wording	✓
Rescission	Protects you because the insurer cannot rescind coverage	✓
Retaliation coverage	Includes coverage for claims alleging retaliation in connection with COBRA, ERISA, NLRA, OSHA, WARN, or laws governing workers compensation, unemployment insurance, social security or disability benefits (In NY only for vicarious liability.)	✓
Settlement provision	Provides the insured with 90 percent of settlement/judgment in excess of the settlement offer rejected by the insured. We will not settle a claim without consent of the insured	✓
Spouse/domestic partner coverage ²	Extends protection to the spouse or domestic partner of an insured person in their role as a spouse or domestic partner	✓
Supplementary payments	Covers reasonable expenses insured incurs at our request to assist us in the investigation or defense of a claim, including loss of earnings	Up to \$250 per day
Territory	Applies coverage to wrongful acts occurring anywhere in the world unless it violates U.S. economic or trade sanctions	✓
Wage and hour coverage	Includes coverage for claims arising out of violations of the Fair Labor Standards Act	\$100,000 sublimit

¹ Not applicable in NY

² Domestic partners not covered in NY

EMPLOYMENT PRACTICES LIABILITY COVERAGE, ML112

Coverage	Description	Cincinnati ML112 & ML101
DEFINITIONS		
Insured	Broad definition of insured includes:	
	• named insured	✓
	• subsidiaries that are more than 50 percent owned by the insured	✓
	• debtor in possession	✓
	• members of the board of directors, trustees, regents, managers, governors or equivalent position	✓
	• officers, employees, committee members and volunteers	✓
	• independent contractors the insured has agreed to provide indemnification	✓
Claim	Broad definitions include:	
	• employment claim and third party claim for:	
	– written demand for monetary damages or other relief	✓
	– civil proceeding, administrative or regulatory proceeding	✓
	– arbitration or mediation proceedings	✓
	– notice of violation or order to show cause due to an audit by the Office of Federal Contract Compliance Programs	✓
	– written request to toll or waive statute of limitations	✓
	– immigration claim for any criminal investigation by a governmental agency	✓
Employee	Defines employee as, but is not limited to, full-time, part-time, seasonal, volunteer and contingent or leased workers	✓
OPTIONS AVAILABLE		
Third-party coverage	Covers third-party claims of discrimination, sexual harassment or wrongful eviction	✓
Additional defense limit of insurance ³	Offers options for eligible accounts to choose:	
	• additional limits dedicated to the payment of defense costs on college, hospital, nursing home and for-profit accounts	\$1 million or \$2 million ⁴
	• defense coverage paid outside policy limits preserves the entire purchased limit for settlements or judgements on nonprofit accounts other than colleges, hospitals and nursing homes	Unlimited
Continuity of coverage	Offers an option for continuity of coverage	Subject to approval
Extended reporting period	Offers flexible options:	
	• 12-month ERP	Available to all accounts
	• ERP of other lengths	Subject to approval
	• period to request ERP after cancellation	Up to 60 days
Shared limit of insurance	Provides the option to select specific coverages that share a limit and to receive a premium discount for those coverages	✓
Workplace violence expense coverage	Reimburses covered expenses arising out of a workplace violence event	Up to \$1 million
Toll-free help line	Provides a complimentary resource that policyholders can call for general employment related legal advice	✓

³ Automatically included in VT

⁴ Unlimited in NY and VT

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The Cincinnati Insurance Companies

Management Liability

WORKPLACE VIOLENCE EXPENSE COVERAGE



Keeping your workplace safe

While no one wants to imagine violence in the workplace, consider the importance of preparing for the possibility. Proactively implementing strategies to protect and train your employees and mitigating the potentially staggering financial impact can help your employees and organization recover if the unimaginable happens.

Recovering your expenses

That is why it makes good sense to purchase our workplace violence option along with your Pillar employment practices liability coverage. Our workplace violence coverage reimburses your recovery expenses after a covered incident up to the limits purchased for:

- security consulting services up to 90 days
- public relations services up to 90 days
- counselors provided on premises up to 120 days
- security guards and other reasonable measures to secure the premises up to 30 days
- forensic analyst up to 120 days
- up to 90 days of salaries or wages, not reimbursed elsewhere, that you paid to your employees unable to work
- business interruption expenses for up to 90 days or until operations are restored, whichever comes first

Responding to the unimaginable

Your coverage responds to a workplace violence event involving deadly force or the threat of it with the display of a lethal weapon. Not only will your policy help with the recovery expenses, but after an incident, you can call 877-841-1082, our 24-hour hotline, for assistance in coordinating a response to address the needs of your employees and your organization's operations. The hotline is monitored by Black Swan Solutions, a business unit of Empathia, Inc. and a leader in supporting organizations affected by crisis. While Black Swan offers a variety of services, your policy only covers those outlined. You have no obligation to use the services of Black Swan Solutions; they are available if you want to consult with an expert in crisis management.

Thank you for trusting your agent and Cincinnati to protect your business.

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage.



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Coverage Summary**PILLAR™ CAPITAL ENDORSEMENT, ML207**

Option for Nonprofit Organizations or Community Associations Directors and Officers Liability Coverages

This summarizes the coverages provided by the above insurance form. These limits are in addition to any limits for the same coverage that appear in an e-CLAS® sales proposal or provided elsewhere whether by Cincinnati or another carrier, unless specified otherwise. In the event of a conflict, the actual policy terms, conditions, limitations and exclusions prevail.

CAPITAL ENDORSEMENT	
Coverage Features	Limits ML207
Additional excess Side A provides an additional limit of liability for insured persons under D&O Insuring Agreement A	\$250,000
Business travel benefit covers a director or officer suffering an injury while traveling on a commercial carrier for business	\$50,000
Conference cancellation covers expenses for a business-related conference – paid by the insured and not otherwise reimbursed – that was cancelled due to a natural catastrophe or communicable disease outbreak	\$25,000
Crisis management pays emergency response expenses incurred because of a covered incident	\$50,000
Death benefit covers the death of a current director or officer resulting from a certified act of terrorism	\$50,000
Destroyed records covers reasonable and necessary expenses to reconstruct the organization's paper or electronic business records lost or destroyed due to a natural catastrophe or a certified act of terrorism	\$25,000
Donation security pays for a failed donation incurred and not reimbursed by any other source	\$50,000
Emergency real estate consulting fees reimburses covered fees incurred for relocation due to the unforeseeable destruction of the organization's principal location	\$50,000
Emergency travel expense covers any director or officer for emergency travel expenses incurred due to a certified act of terrorism	\$50,000
Fundraising event cancellation expense reimburses expenses that are incurred due to the cancellation of a fundraising event caused by an order made by a civil authority responding to a natural catastrophe or a communicable disease outbreak, provided the fundraising is not re-scheduled.	\$25,000
Identity theft expense reimburses the expenses of any current director or officer who becomes a victim of identity theft	\$50,000
Image restoration and counseling covers image restoration and counseling expenses due to sexual misconduct or sexual molestation of the organization's clients committed by an insured person of the organization	\$50,000

CAPITAL ENDORSEMENT, ML207

Coverage Features (cont'd)	Limits ML207
Immigration civil fines or penalties pays assessments for unintentional violation of the United States Immigration and Nationality Act resulting from a notice of inspection, audit or investigation by a government agency	\$25,000
Key individual replacement expense reimburses expenses, not covered by another source, to replace the chief executive officer or executive director due to death or permanent disability	\$50,000
Kidnap expense covers reasonable fees incurred after the kidnapping of a director or officer or their spouse, domestic partner, parent or child	\$50,000
Political unrest coverage reimburses emergency evacuation expenses due to an incident when the present director, officer, employee or volunteer travel outside the United States	\$50,000 maximum \$10,000/employee
Temporary meeting space reimburses rental expenses when a primary office space is temporary unavailable due to the failure of a climate control system or hot water heater	\$50,000
Travel delay coverage reimburses present directors or officers incurred expenses due to the cancellation of any regularly scheduled business travel on a common transportation carrier	\$2,500
Unauthorized business card use covers loss of money or charges and costs incurred directly from the unauthorized use of credit, debit or charge cards issued in the business name	\$1,500, \$500 deductible applies
Workplace violence counseling provides emotional counseling expenses after a violent incident occurs on premises	\$50,000



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EMPLOYMENT PRACTICES LIABILITY

Management Liability Claim Examples



Organizations hire personnel with the goal of achieving a mutually beneficial work environment where all parties find success. Consider Cincinnati's Pillar™ Employment Practices Liability Coverage to help when viewpoints differ, or you are responsible for behaviors not within your control. These scenarios highlight how insurance coverage can protect your interests, saving you defense and settlement costs due to allegations of wrongful acts committed by directors, officers or other insured individuals.

These hypothetical claims examples illustrate how including Employment Practices Liability coverage as part of your insured's complete Cincinnati insurance program closes potential coverage gaps. For complete details of the terms, conditions, limitations and exclusions, please see your policy.

Retaliatory discharge

Multiple employees alleged policies, practices and rules were applied in a manner detrimental to another employee. They also asserted that company records were missing, and no data was captured to evaluate the quality of their work. The employees were provided written notice of employment termination without cause. The employees brought a suit against the entity for retaliatory discharge. The case settled for more than **\$400,000**.

National origin discrimination

An employee and U.S. immigrant alleged repeated racial and national origin discrimination based on the mocking of his accent and clothes in front of co-workers and patrons and derogatory name calling by his supervisor. Another supervisor ignored the employee's complaints and the plaintiff was threatened with demotion and/or termination. The company incurred more than **\$220,000**, including defense costs.

Third party disability discrimination

A wheelchair-bound person alleged that a transportation driver refused to load the plaintiff's chair onto the vehicle, saying the lift was inoperable and made insensitive statements regarding the customer's disabilities. The plaintiff brought a complaint against the company seeking compensatory damages for emotional distress as well as disability-based discrimination. The claim was defended after spending **\$20,000** in legal fees.

Gender discrimination

Two employees filed a complaint with their employer alleging gender discrimination, harassment and retaliation. After conducting a thorough investigation, the employer concluded that there was no evidence of their allegations and terminated both due

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage.

to their behavior leading up to and throughout the process. The two employees filed suit against the employer alleging gender discrimination, violation of the Equal Pay Act, retaliation and defamation. The case was ultimately settled for over **\$2 million** after spending more than **\$250,000** in defense costs.

Age and race discrimination

A supervisor commended an employee for excellent performance on the job and strongly recommended hiring the employee after a new owner acquired the company. Instead of hiring the employee, the new owner offered the position to two younger, Caucasian individuals. The employee filed suit against the company alleging race and age discrimination and failure to hire. Settlement and defense costs exceeded **\$250,000**.

Third-party gender discrimination and sexual harassment

A school's student athlete accused another student of sexual harassment. Even though criminal charges were filed, the school allowed the alleged perpetrator to stay in school and play sports with the school's team. The student and parents filed a suit against the school for a variety of charges, including discrimination under Title IX, sexual harassment and emotional distress. The claim settled for less than **\$10,000** after spending nearly **\$50,000** in defense costs.

Thank you for trusting your agent and Cincinnati to protect your business.

These hypothetical scenarios are based on actual claims and offered for educational purposes only. Every claim is adjusted according to its own specific set of facts. Whether or not insurance coverage would apply to any claims depends on the facts and circumstances of each case and the terms, conditions and exclusions of each individual policy.



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Business Insurance

NONPROFIT DIRECTOR AND OFFICER LIABILITY

Management Liability Claim Examples



Nonprofit organizations have the best intentions for their clients and society, operating to the benefit of their communities. Cincinnati's Pillar™ Nonprofit Organization Directors and Officers Liability Coverage offers insurance protection, so you can stay focused on those efforts. These scenarios highlight how insurance coverage can protect your interests, saving you defense and settlement costs due to allegations of wrongful acts committed by directors, officers or other insured individuals.

Consumer protection laws violation

A potential buyer sued a club that hosted a charity auction after one of the items up for bid could not be made available due to a processing error. The matter settled for **\$400,000** with **\$250,000** in defense costs.

Breach of fiduciary duty

A member of a private club alleged its board had failed to follow its bylaws in its handling of assessments, thus breaching its fiduciary responsibilities. Nearly **\$150,000** was paid in defense costs.

Breach of duty of bailee

A benefactor filed a lawsuit against an organization alleging its leadership failed to return an item the sponsor had considered only to be a loan, and not a gift. More than **\$200,000** was paid in defense costs.

Breach of duty

Former club members sued the club's board relating to a proposed change in the refund policy for membership investments to the club. More than **\$75,000** was paid in defense costs.

Breach of constructive trust

Members sued a cooperative regarding its methods of recording and managing profits, as well as member distributions. The **\$1 million** policy limit was exhausted in defense costs while the claim was still in litigation.

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These hypothetical scenarios are based on actual claims and offered for educational purposes only. Every claim is adjusted according to its own specific set of facts. Whether or not insurance coverage would apply to any claims depends on the facts and circumstances of each case and the terms, conditions and exclusions of each individual policy.

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage.

Management Liability

PILLAR™ CYBER RISK PROTECTION



Why buy cyber risk protection?

Every business, no matter its size, collects and stores personal information about customers, employees and others. In addition, your business may depend on computer systems to access and use data to conduct daily operations. Technology and accessibility to personal information expose you to harmful cyberattacks with the potential to disrupt your operations, increase costs and damage customer relationships. Imagine these scenarios:

- Private customer information is exposed through a retailer's website. The customers sue the retailer.
- A health care organization's donor database is exposed due to a computer virus. The health care organization is held responsible.
- Thousands of student names and Social Security numbers are exposed due to a security breach of a college computer server. The college must defend itself against negligence charges.

Protecting your business

You can trust your local independent agent recommending coverage to understand your organization and see it as you see it. Together, we can customize a plan to help protect your organization with the appropriate cyber risk insurance coverage.

Providing the coverage you need

To protect your business, consider security for your computer systems and cyber risk insurance from Cincinnati by choosing from these coverage options:

- **Cincinnati Data Defender™** – Provides three important data privacy exposure coverages: expenses incurred responding to a breach and providing services for those affected, identity theft, and defense and liability coverage.
- **Cincinnati Network Defender™** – Provides two important types of cyber risk protection: computer attack coverage, and network security and media liability coverage.
- **Cincinnati Cyber Defense™** – Includes the coverage elements of Data Defender and Network Defender with additional coverage options for loss of business income, cyber extortion and media liability coverage.

Cincinnati Data Defender and Cincinnati Network Defender can be purchased separately or can work together to create well-rounded protection for your small to medium-sized organization. Cincinnati Cyber Defense may be the best option for your organization if it's larger or has more complex cyber exposures, and you need broader coverage, higher limits and more flexible options.

Please review a more complete summary of coverages on the next page. Your agent recommending Cincinnati can provide more details, answer questions and add coverage to your Pillar management liability policy.

Protection includes access to an online portal offering training, best practices and other tools for managing cyber risk before an attack.

CYBER RISK PROTECTION

Insuring Agreement	Description
Cincinnati Data Defender, ML102 & General Provisions, ML101	
Response expenses coverage	Pays costs you incur to respond after a data breach, including expenses for providing services to assist your customers, employees and others affected by the breach
Defense and liability coverage	Provides financial protection for legal action you may face even if your breach response is efficient and complies with applicable laws
Identity recovery coverage	Provides expense reimbursement and personal services to help you recover from identity theft if an unauthorized person commits fraud or other crimes using your personal or financial information
Cincinnati Network Defender, ML103 & General Provisions, ML101	
Computer attack coverage	Helps your business recover after a cyberattack and pays for cyber extortion expense, data restoration services, data re-creation services, system restoration services, business income you lose, extra expenses you incur, as well as public relations services
Network security and electronic media liability coverage	<p>Pays for defense and settlement costs due to claims by third parties:</p> <ul style="list-style-type: none"> for alleged damage caused by a security failure in your computer system that leads to a breach of third-party business data, the unplanned forwarding or replication of malware or the unintentional support of a denial of service attack alleging that your electronic communications resulted in defamation, violation of a person's right of privacy, interference with a person's right of publicity or infringement of copyright or trademark
Cincinnati Cyber Defense, ML104 & General Provisions, ML101	
Response expenses coverage	Pays costs you incur in responding to a data breach and includes expenses for providing services to assist your customers, employees and others affected by the breach in addition to reputational harm costs and reward payments
Computer attack coverage	Helps your business recover after a cyberattack and pays expenses you incur for data restoration services, data re-creation services and system restoration services, as well as public relations services, telecommunications fraud expenses and reward payments
Loss of business income	Pays for the business income lost and extra expenses incurred due to a computer attack or system failure during the time that system and data recovery activities take place and also includes a voluntary shutdown of the computer system
Cyber extortion coverage	Pays the cost of an investigator that you retain due to an extortion threat against your systems or data, and it covers amounts paid in response to the cyber threat including reward payments
Identity recovery coverage	Provides expense reimbursement and personal services to help you recover from identity theft if an unauthorized person commits fraud or other crimes using your personal or financial information
Data compromise liability coverage	Provides defense and liability coverage for legal action you may face – including regulatory and PCI fines and penalties – even if your breach response is efficient and complies with applicable laws
Network security liability coverage	Pays for defense and settlement costs due to claims by third parties for alleged damage caused by a security failure in your computer system that leads to a breach of third-party business data, the unplanned forwarding or replication of malware, the unintentional support of a denial of service attack or the inability of an authorized third-party user to access your computer system
Media liability coverage	Pays defense and settlement costs if a third-party claimant sues you alleging that your electronic or other communications resulted in defamation, violation of a person's right of privacy, interference with a person's right of publicity or infringement of copyright or trademark

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage. This is not a policy. For a complete statement of the coverages and exclusions, please see the policy contract. "The Cincinnati Insurance Companies", "Cincinnati Insurance" and "Cincinnati" refer to member companies of the insurer group providing property and casualty coverages through The Cincinnati Insurance Company or one of its wholly owned subsidiaries – The Cincinnati Indemnity Company or The Cincinnati Casualty Company. Each insurer has sole financial responsibility for its own products. Not all subsidiaries operate in all states. Do not reproduce or post online, in whole or in part, without written permission. © 2020 The Cincinnati Insurance Company. 6200 S. Gilmore Road, Fairfield, OH 45014-5141.

Management Liability

TOOLS TO HELP YOU MANAGE RISK



When you purchase Cincinnati's exceptional Pillar™ management liability insurance to protect your organization, you receive access to risk management tools at no additional cost to help you with the complex situations covered by your policy.

Depending on the coverage options you purchase, you may also access services provided by risk management specialists partnering with Cincinnati. These specialists can answer questions related to managing your community association, employment practices, cyber liability exposures or workplace violence. Most of these services are available at no additional cost.

- ☐ **Nonprofit Risk Management Portal:** Are you a nonprofit organization looking for expert risk management guidance? Cincinnati's policyholders can register with Nonprofit Risk Management Center, a leader in the risk management space, to help you identify and manage risks that threaten your missions while empowering you to take bold, mission-advancing steps. Comprehensive risk resources provide practical knowledge on the topics that matter to you, while self-assessments lead you – step by step – to building a custom risk management plan. Please visit cinfin.com/nonprofit-risk-resources to register for NRMC services; have your Cincinnati Insurance policy number ready.
- ☐ **Community Association Helpline:** As a Pillar policyholder, you can call a toll-free helpline, 844-458-9556, for assistance reducing or avoiding a potential wrongful acts loss related to managing your community association. Please have your Pillar Directors & Officers policy number ready before you call. When you call, leave a message including your name, complete contact information, policy number and your question or concern. A helpline lawyer will call you back, usually within one business day. Please be advised that each helpline call is limited to one hour. There is no additional cost for using this service.
- ☐ **Employment Practices Helpline:** Do you have questions about handling employment situations? Pillar policyholders whose coverage includes Cincinnati's employment practices liability insurance may call our toll-free Employment Connection helpline, 888-811-3427, for guidance from an attorney prior to making employment-related decisions. We offer eligible policyholders an unlimited number of calls seeking advice.

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage.



- ☐ **Cyber Risk Management Portal:** Cincinnati's cyber policyholders may access eRiskHub®, an online portal for news, information and tools to help mitigate a breach, hacking event, virus infection or other cyberattacks. You will find information about privacy laws, compliance and breach response guides, notification letter examples and credit bureau and government agency notifications. Other data risk management expertise is available to help diagnose and repair virus infections and other common computer problems. Some services may include an additional charge. Please visit <https://eriskhub.com/cic> to set up an account using the access code provided with your policy or available from your agent.
- ☐ **Workplace Violence Hotline:** After a covered workplace violence event, Pillar policyholders who have added Cincinnati's workplace violence expense coverage to their EPLI policy can receive help to begin the recovery process. Call the toll-free, 24-hour hotline, 877-841-1082. Black Swan Solutions®, a business unit of Empathia, Inc., an industry-leading crisis support organization, monitors the hotline. While policyholders are not obligated to use Black Swan Solutions, this resource is available if you need them. Coverage also reimburses recovery expenses for security, public relations, counselors and lost salaries, wages and business income.

Selecting the right company

With Cincinnati's Pillar management liability coverage, know that you have an exceptional insurance program from a company offering:

- A management team specifically dedicated to keeping your program on the leading edge
- Superior claims service provided by Cincinnati professionals
- High financial strength rating from A.M. Best Co., reflecting our ability to pay claims and keep our promises

For qualifying accounts, multi-year policy terms are available in most states for many coverages, saving you the added time and expense of annual renewals.

Your agent representing Cincinnati can provide more details, answer questions and add the coverage you need.

Thank you for trusting your agent and Cincinnati to protect your business.



Everything Insurance Should Be®

The selection of a particular service provider is the independent choice of the policyholder. Service providers are not affiliated with The Cincinnati Insurance Companies. Cincinnati and its employees make no warranties and assume no liability for services, products or loss control measures provided by service providers.

Our loss control service is advisory only. We assume no responsibility for management or control of customer loss control activities or for implementation of recommended corrective measures. These materials were gathered from trade services and public information. We have not tried to identify all exposures. We do not warrant that this information is consistent with the underwriting guidelines of The Cincinnati Insurance Company and its subsidiaries or with any federal, state or local law, regulation or ordinance.

This is not a policy. For a complete statement of the coverages and exclusions, please see the policy contract. "The Cincinnati Insurance Companies", "Cincinnati Insurance" and "Cincinnati" refer to member companies of the insurer group providing property and casualty coverages through The Cincinnati Insurance Company or one of its wholly owned subsidiaries – The Cincinnati Indemnity Company or The Cincinnati Casualty Company. Each insurer has sole financial responsibility for its own products. Not all subsidiaries operate in all states. Do not reproduce or post online, in whole or in part, without written permission. Best's ratings are under continuous review and subject to change and/or affirmation. To confirm the current rating, please visit www.ambest.com. © 2023 The Cincinnati Insurance Company. 6200 S. Gilmore Road, Fairfield, OH 45014-5141.



Nonprofit
Risk Management
Center



RISK MANAGEMENT FOR NONPROFIT ORGANIZATIONS

*Your nonprofit serves others.
Let us serve you.*

Volunteers. Boards of directors. Fundraising. Nonprofits have a lot to contend with – and often on a modest budget. We can help.

Professional risk resources at your fingertips

Nonprofit Risk Management Center is a respected leader in the risk management space. With an experienced team of nonprofit-savvy advisers, NRMCM can help your nonprofit identify and manage risks that threaten your missions and operations while empowering you to take bold, mission-advancing steps.

Through Cincinnati's relationship with NRMCM, you can tackle the topics you care about: youth protection, workplace safety, volunteer management, reputation risk, legal compliance, insurance program oversight, fiscal oversight and fraud protection, employment practices, governance and more.

Real-world solutions at no additional cost

Complete your registration with NRMCM to receive tools proven to produce results, without cost to you:

- **Self-assessment tools** – The backdrop to any enterprise lies in the details. Make sure yours' hit the mark:
 - Take *My Risk Assessment* to identify gaps and get expert recommendations designed to strengthen your risk management strategies.
 - Visit *My Risk Management Policies* to draft custom policies for your organization. In minutes, use an intuitive policy-building web app – with more than 170 templates covering 22 topics – to create fit-to-suit policies on topics from human resources and information technology to client safety and more.
 - Access *My Risk Management Plan* to create a custom risk management plan that meets the needs of your unique organizations.

It's that easy: take an assessment, let the experts guide you and come away with a plan built for you.



- **Risk resources** – Because we all learn and process information differently, you'll receive varying forums of expert-created material:
 - Access a library of 50+ recorded educational videos, helpful infographics and practical articles.
 - Subscribe to RISK eNews to receive weekly risk management insights.
 - Find answers to top-of-mind questions on topics from pandemic response to managing volunteers and more.

REGISTER TODAY!

As a Cincinnati Insurance policyholder in the nonprofit sector, you are eligible for full access to a custom risk resource portal, built for you at no additional cost. Registration is easy:

- Visit cinfin.com/nonprofit-risk-resources.
- Click Nonprofit Risk Management Center's registration page.
- Click Register.
- Complete the portal registration form.
- Enter your Cincinnati policy number.
- Click Submit.
- Expect an email notifying you that your registration has been approved and is complete.

Your local independent insurance agent and Cincinnati's experienced knowledgeable team of loss control representatives are available to guide you through these services. To register or to learn more about this service, contact your agent or visit cinfin.com/nonprofit-risk-resources.

If you need registration assistance, please contact NRMCC, 703-777-3504 or info@nonprofitrisk.org. A customer service representative will assist you.

The Cincinnati Insurance Companies", "Cincinnati Insurance" and "Cincinnati" refer to member companies of the insurer group providing property and casualty coverages through The Cincinnati Insurance Company or one of its wholly owned subsidiaries – The Cincinnati Indemnity Company or The Cincinnati Casualty Company. Each insurer has sole financial responsibility for its own products. Not all subsidiaries operate in all states. Do not reproduce or post online, in whole or in part, without written permission. © 2020 The Cincinnati Insurance Company. 6200 S. Gilmore Road, Fairfield, OH 45014-5141. Mailing address: P.O. Box 145496, Cincinnati, OH 45250-5496.

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- ☐ **The Cincinnati Insurance Company**
- ☐ **The Cincinnati Casualty Company**
- ☐ **The Cincinnati Indemnity Company**

CERTIFIED ACTS AND OTHER ACTS OF TERRORISM INSURANCE REJECTION FORM

You should read this document carefully and contact us or your agent if you have any questions regarding insurance coverage for Certified Acts of Terrorism and Other Acts of Terrorism. No coverage is provided by this document.

Under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. For information regarding the availability of coverage for Certified Acts and Other Acts of Terrorism, subject to an additional premium, please contact your insurance agent.

The undersigned policyholder or applicant acknowledges and understands that terrorism insurance coverage has been offered pursuant to the Terrorism Risk Insurance Act and its amendments and the policyholder has chosen to reject coverage for Certified Acts and Other Acts of Terrorism.

The rejection of coverage for Terrorism is valid and binding on all insureds and persons claiming benefits under the policy/application.

This rejection of coverage for Terrorism will apply to any renewal, reinstatement, substitute, amended, altered, modified, transfer or replacement policy with this company or with any affiliated company unless the Named Insured makes a written request to the company to exercise a different option.

Your Acknowledgment:

By signing below, I acknowledge that:

1. I intend that my selection will apply to me and to all other persons or organizations that may be eligible for coverage under this policy.
2. I understand that my selection applies to all subsequent renewals or amendments of my policy unless I request otherwise in writing.
3. I have read and understand the purpose and content of this form and the consequences of my selection.
4. I am legally authorized to make decisions concerning the purchase of Terrorism Insurance Coverage.

Name of Insurance Company

Policy/Application Number

Policyholder/Applicant

Applicant Signature

Date

Agent

Agent Signature

Date



NEW BUSINESS QUOTE

Insured Name:

Southern Conference of National Council of
Architecture Registration Boards
4204 SIX FORKS RD #2803 (PO BOX 17332)
RALEIGH, NC 27609

Proposal Policy Period: 07/30/2025 -
07/30/2026

Proposal Creation Date: 7/10/2025

Policy Form:

PRIVATE CHOICE PREFERRED FOR
NON PROFIT ORGANIZATIONS POLICY -
PC00H90000 0323

Insuring Company:

HARTFORD FIRE INSURANCE CO., an
Admitted Company

Underwriter Contact:

MARGARET GRANT
1-704-501-0219
MARGARET.GRANT@THEHARTFORD.COM

Broker Information:

REEVES ZAYTOUN
SENTINEL RISK ADVISORS LLC
4700 SIX FORKS ROAD, SUITE 200
RALEIGH, NC 27609
919.926.4641
RZAYTOUN@SENTINELRA.COM

OPTIONS SUMMARY: The following table provides a summary of the options quoted. For complete details on each option, this quote letter should be reviewed in its entirety. (* If elected, these coverage parts are not subject to the Combined Aggregate Limit of Liability.)

Option	Combined Aggregate Limit of Liability		Non Profit D&O	EPL	Fiduciary	Crime*	K&R*	Premium
1.	N	Limit	\$1,000,000	\$1,000,000	N/A	\$250,000	N/A	\$1,570
		Retention	\$0	\$5,000	N/A	\$5,000	N/A	
2.	N	Limit	\$1,000,000	\$1,000,000	N/A	N/A	N/A	\$885
		Retention	\$0	\$5,000	N/A	N/A	N/A	
3.	N	Limit	\$1,000,000	N/A	N/A	N/A	N/A	\$290
		Retention	\$0	N/A	N/A	N/A	N/A	

THIS QUOTE CONTAINS TIME-SENSITIVE REQUIREMENTS TO BIND COVERAGE

This is a temporary and conditional quote that is conditioned upon the underwriter's receipt, review and acceptance of the subjectivities specified below, if any, prior to binding coverage. This quote is valid for 30 days from 7/10/2025 or until the inception date of the Proposed Policy Period, whichever date first arrives.

SUBJECTIVITIES

If crime coverage is purchased please confirm wire transfer controls are in place.

Signed & Dated Application by Chairman, President, CEO, CFO, COO, Comptroller, General Counsel, executive Director, Secretary or Treasurer -or the functional equivalent as confirmed in writing by the insured - or the functional equivalent as confirmed in writing by the Insured **Digital signature is only acceptable if submitted through E-Verify or similar program that includes time and date stamp for validity of signature.**

The individual Producer name and National Producer Number assigned to this specific submission is required prior to binding the submission and issuing the policy.

Option 1

Total Policy Premium for Quote Option 1: \$1,570

☐ Combined Aggregate Limit of Liability For All Liability Coverage Parts: NOT COVERED

Additional Defense Options:

☐ Combined Additional Defense Limit for All Liability Coverage Parts: NOT COVERED

☐ Separate Additional Defense Limits by Liability Coverage Part:

☐ Directors, Officers and Entity Liability Coverage Part: NOT COVERED

☐ Employment Practices Liability Coverage Part: NOT COVERED

☐ Fiduciary Liability Coverage Part: NOT COVERED

Only those **Liability Coverage Parts** and Coverage Features that are designated with an "X" are included in this quote option:

Private Choice Preferred for Non Profit Organizations Liability Coverage Part Elections		Limit(s) of Liability	Retention(s)	Prior and Pending Date(s)
<input checked="" type="checkbox"/>	Non Profit Directors, Officers and Entity Liability Coverage Part	<u>\$1,000,000</u>	Insured Person: \$0 Entity Reimbursement \$0	Inception
<input checked="" type="checkbox"/>	Entity Liability	<u>\$1,000,000</u> Sub-limit of Liability	<u>\$0</u>	Inception
<input checked="" type="checkbox"/>	D&O Demand Costs	<u>\$500,000</u> Sub-limit of Liability	<u>\$0</u>	Inception
<input checked="" type="checkbox"/>	Legal Services Wrongful Act	<u>\$1,000,000</u> Sub-limit of Liability	<u>\$0</u>	Inception
<input checked="" type="checkbox"/>	Additional Limit of Liability for Claims Against Managers	<u>\$1,000,000</u> Additional Limit of Liability	<u>\$0</u>	Inception
<input checked="" type="checkbox"/>	Employment Practices Liability	<u>\$1,000,000</u>	<u>\$5,000</u>	Inception
<input checked="" type="checkbox"/>	Third Party Liability	<u>\$1,000,000</u> Sub-Limit of Liability	<u>\$5,000</u>	Inception
<input checked="" type="checkbox"/>	Training Costs	<u>\$1,000,000</u> Sub-limit of Liability for Training Costs	<u>\$5,000</u>	Inception
<input checked="" type="checkbox"/>	Wage and Hour Defense Cost	<u>\$250,000</u> Sub-limit of Liability for Defense Costs	<u>\$5,000</u>	Inception
<input checked="" type="checkbox"/>	Workplace Violence Expenses	<u>\$250,000</u> Sub-limit of Liability for Expenses	<u>\$0</u>	Inception

Only those **Non-Liability Coverage Parts** and Coverage Features that are designated with an "X" are included in this quote option:

Non-Liability Coverage Part Elections	Limit(s) of Insurance	Retention(s)
<input checked="" type="checkbox"/> Crime		
<input checked="" type="checkbox"/> 1. (1) Employee Theft (2) Employee Benefit Plan Coverage	<u>\$250,000</u> <u>\$250,000</u>	<u>\$5,000</u> <u>\$0</u>
<input checked="" type="checkbox"/> 2. Forgery or Alteration	<u>\$250,000</u>	<u>\$5,000</u>
<input checked="" type="checkbox"/> 3. Inside the Premises - Money, Securities and Other Property	<u>\$250,000</u>	<u>\$5,000</u>
<input checked="" type="checkbox"/> 4. Outside the Premises - Money, Securities and Other Property	<u>\$250,000</u>	<u>\$5,000</u>
<input checked="" type="checkbox"/> 5. Computer and Funds Transfer Fraud	<u>\$250,000</u>	<u>\$5,000</u>
<input checked="" type="checkbox"/> 6. Money Orders and Counterfeit Currency	<u>\$250,000</u>	<u>\$5,000</u>
<input checked="" type="checkbox"/> 7. Computer Systems Restoration Expenses	<u>\$25,000</u>	<u>\$1,000</u>
<input checked="" type="checkbox"/> 8. Identity Recovery Expenses Reimbursement	<u>\$25,000</u>	<u>\$250</u>
<input checked="" type="checkbox"/> 9. Social Engineering /Fraud	<u>\$100,000</u>	<u>\$5,000</u>
<input checked="" type="checkbox"/> 10. Theft of Customer's/Customer's Client's Property	<u>\$250,000</u>	<u>\$5,000</u>
<input checked="" type="checkbox"/> 11. Investigative Expense Sub-limit	<u>\$25,000</u>	<u>\$0</u>

Option 2

Total Policy Premium for Quote Option 2: \$885

☐ **Combined Aggregate Limit of Liability For All Liability Coverage Parts: NOT COVERED**

Additional Defense Options:

☐ Combined Additional Defense Limit for All Liability Coverage Parts: NOT COVERED

☐ Separate Additional Defense Limits by Liability Coverage Part:

☐ Directors, Officers and Entity Liability Coverage Part: NOT COVERED

☐ Employment Practices Liability Coverage Part: NOT COVERED

☐ Fiduciary Liability Coverage Part: NOT COVERED

Only those **Liability Coverage Parts** and Coverage Features that are designated with an "X" are included in this quote option:

Private Choice Preferred for Non Profit Organizations Liability Coverage Part Elections	Limit(s) of Liability	Retention(s)	Prior and Pending Date(s)
<input checked="" type="checkbox"/> Non Profit Directors, Officers and Entity Liability Coverage Part	<u>\$1,000,000</u>	Insured Person: <u>\$0</u>	Inception

			Entity Reimbursement \$0	
<input checked="" type="checkbox"/>	Entity Liability	\$1,000,000 Sub-limit of Liability	\$0	Inception
<input checked="" type="checkbox"/>	D&O Demand Costs	\$500,000 Sub-limit of Liability	\$0	Inception
<input checked="" type="checkbox"/>	Legal Services Wrongful Act	\$1,000,000 Sub-limit of Liability	\$0	Inception
<input checked="" type="checkbox"/>	Additional Limit of Liability for Claims Against Managers	\$1,000,000 Additional Limit of Liability	\$0	Inception
<input checked="" type="checkbox"/>	Employment Practices Liability	\$1,000,000	\$5,000	Inception
<input checked="" type="checkbox"/>	Third Party Liability	\$1,000,000 Sub-Limit of Liability	\$5,000	Inception
<input checked="" type="checkbox"/>	Training Costs	\$1,000,000 Sub-limit of Liability for Training Costs	\$5,000	Inception
<input checked="" type="checkbox"/>	Wage and Hour Defense Cost	\$250,000 Sub-limit of Liability for Defense Costs	\$5,000	Inception
<input checked="" type="checkbox"/>	Workplace Violence Expenses	\$250,000 Sub-limit of Liability for Expenses	\$0	Inception

Option 3

Total Policy Premium for Quote Option 3: \$290

☐ **Combined Aggregate Limit of Liability For All Liability Coverage Parts: NOT COVERED**

Additional Defense Options:

☐ Combined Additional Defense Limit for All Liability Coverage Parts: NOT COVERED

☐ Separate Additional Defense Limits by Liability Coverage Part:

☐ Directors, Officers and Entity Liability Coverage Part: NOT COVERED

☐ Employment Practices Liability Coverage Part: NOT COVERED

☐ Fiduciary Liability Coverage Part: NOT COVERED

Only those **Liability Coverage Parts** and Coverage Features that are designated with an “X” are included in this quote option:

Private Choice Preferred for Non Profit Organizations Liability Coverage Part Elections	Limit(s) of Liability	Retention(s)	Prior and Pending Date(s)
<input checked="" type="checkbox"/> Non Profit Directors, Officers and Entity Liability Coverage Part	\$1,000,000	Insured Person: \$0 Entity Reimbursement \$0	Inception

<input checked="" type="checkbox"/>	Entity Liability	<u>\$1,000,000</u> Sub-limit of Liability	<u>\$0</u>	Inception
<input checked="" type="checkbox"/>	D&O Demand Costs	<u>\$500,000</u> Sub-limit of Liability	<u>\$0</u>	Inception
<input checked="" type="checkbox"/>	Legal Services Wrongful Act	<u>\$1,000,000</u> Sub-limit of Liability	<u>\$0</u>	Inception
<input checked="" type="checkbox"/>	Additional Limit of Liability for Claims Against Managers	<u>\$1,000,000</u> Additional Limit of Liability	<u>\$0</u>	Inception

Key

Limit of Liability:	In the Aggregate for the Policy Period, inclusive of Claims Expenses, and excess of the Retention,
Retention:	Each Claim inclusive of Claims Expenses
Limit of Insurance:	In excess of the Retention.
Non-Liability Retention:	Each loss with respect to Kidnap, Ransom & Extortion, and Each Occurrence with respect to Crime.

Statutory taxes, fees and/or guarantee fund taxes and other applicable state specific premium surcharges are separate and in addition to the indicated premium.

ADDITIONAL CONDITIONS

Optional Extended Reporting Period Coverage:
Duration: 12 months
Premium: 100% of Annual Premium

ENDORSEMENTS, EXCLUSIONS AND LIMITATIONS

FORM NUMBER	NAME	Applicable to Option #
COMMON TERMS, CONDITIONS AND LIMITATIONS		
PC00H90200	<u>Private Choice PreferredSM Policy - Non Profit Organizations Declarations</u>	1,2,3
PC00H00300	<u>Common Terms, Conditions and Limitations</u>	1,2,3
PC32H00400	<u>North Carolina Amendatory Endorsement (CTC)</u>	1,2,3
HR32H00300	<u>NORTH CAROLINA CANCELLATION AND NONRENEWAL ENDORSEMENT</u>	1,2,3
HG00H12900	<u>U.S. DEPARTMENT OF THE TREASURY, OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")</u>	1,2,3
PC00H03000	<u>Acceptance of Others Application</u>	1
HR00H09300	<u>PRODUCER COMPENSATION NOTICE</u>	1,2,3
PC00H60000	<u>Crime Coverage Part</u>	1
PC00H90000	<u>Private Choice PreferredSM Policy - Non Profit Directors, Officers and Entity Liability Coverage Part</u>	1,2,3
PC00H40000	<u>Employment Practices Liability Coverage Part</u>	1,2
CRIME COVERAGE PART		
PC00H60200	<u>PRIVATE CHOICE PREFERRED POLICY CRIME COVERAGE PART DECLARATIONS</u>	1
PC00H67200	<u>Telephone and Toll Fraud Coverage Endorsement (Crime Coverage Part)</u>	1
DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART		
PC00H92900	<u>Crisis Management Expense Coverage (Non Profit Directors, Officers and Entity Liability Coverage Part)</u>	1,2,3
PC00H92200	<u>Trade and Professional Association Amendatory Endorsement (NP Directors, Officers and Entity Liability Coverage Part)</u>	1,2,3
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART		
HR00H09401	<u>UPDATED SUITE OF EMPLOYMENT RELATED RISK MANAGEMENT RESOURCES</u>	1,2
PC00H42600	<u>Workplace Violence Coverage Endorsement (Employment Practices Liability Coverage Part)</u>	1,2
TERRORISM		
HG00H16100 0722	Important Notice To Policyholders - Terrorism Risk Insurance Act	ALL

WHY PARTNER WITH THE HARTFORD

- The Hartford Financial Lines team provides market-leading management and professional liability solutions for customers of all sizes. By combining deep industry expertise, years of experience, and dedicated claims professionals, The Hartford delivers tailored coverage solutions that address the unique and emerging exposures faced by businesses today.
- When you choose The Hartford you can feel confident knowing you're working with an experienced, highly rated insurer. HARTFORD FIRE INSURANCE CO. is a member of The Hartford Insurance Group and is rated A+ (Superior) by A.M. Best.¹



We have a broad geographic presence, with more than 20 offices across the country providing local level decision-making and points of contact.

If you would like to inquire further about any of the coverages we offer, please do not hesitate to contact us or to explore our web site at [The Hartford](#).

1 As of January 2020

OTHER CONDITIONS

Please be aware that if prior to binding coverage there is: a) any material change in the information requested by and/or submitted to The Hartford, or b) any material change in the hazard or risk contemplated in this quote, the applicant must advise The Hartford immediately. The Hartford fully reserves its rights with respect to the acceptance or denial of this risk in the event of any of the above. The Hartford also fully reserves the right to assert any defenses and take any and all actions appropriate and allowed under state law, including but not limited to voiding ab initio and/or canceling this temporary and conditional quote and any binder issued pursuant thereto if: a) any such information is not received, reviewed and accepted by The Hartford; or b) prior to binding coverage there is any claim made against any insured or any notice of potential claim, occurrence, circumstance or wrongful act given under an expiring policy.

This quote provides a summary of coverages. The terms and conditions in the policy issued will prevail in the event of a conflict. Insurance specifications and other requests for coverage that are not incorporated in this quote or the policy confer no rights and do not amend, extend or alter the coverage afforded. All of the terms, conditions and other requirements set forth in this quote must be presented to the proposed insured, including, without limitation, any terrorism disclosure notice.

We appreciate the opportunity to offer you this quote.



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DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Terrorism Coverage and Premium

In accordance with the federal Terrorism Risk Insurance Act (as amended "TRIA"), we are required to make coverage available under your policy for "certified acts of terrorism." The actual coverage provided by your policy(ies) will be limited by the terms, conditions, exclusions, limits, and other provisions of your policy(ies), as well as any applicable rules of law.

No premium has been charged for this terrorism coverage.

Definition of Certified Act of Terrorism

A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of TRIA, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:

1. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
2. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an United States mission; and
3. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Disclosure of Federal Share of Terrorism Losses under TRIA

The United States Department of the Treasury will reimburse insurers for 80% of insured losses that exceed the applicable insurer deductible. However, if aggregate industry insured losses under TRIA exceed \$100 Billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

Cap on Insurer Liability for Terrorism Losses

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 Billion in a calendar year, and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

Note to Producer on TRIA: The TRIA disclosures above must be provided to the insured or prospect at the time of quoting.

Named Insured and Address: SOUTHERN CONFERENCE OF NATIONAL COUNCIL OF ARCHITECTURE REGISTRATION BOARDS
4204 SIX FORKS RD #2803 (PO BOX 17332)
RALEIGH, NC 27609

Effective Date of this Notice: 07/30/2025

Insurer: HARTFORD FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DISCLOSURE/CAP ON LOSSES – TERRORISM RISK INSURANCE ACT

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT.

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act, as amended (TRIA), we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for "certified acts of terrorism" under TRIA. The portion of your premium attributable to terrorism coverage is shown in this policy.

B. The following definition is added with respect to the provisions of this endorsement:

1. A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of TRIA, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:
 - a. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
 - b. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an United States mission; and
 - c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

C. Disclosure of Federal Share of Terrorism Losses

The United States Department of the Treasury will reimburse insurers for 80% of insured losses attributable to "certified acts of terrorism" under TRIA that exceeds the applicable insurer deductible. However, if aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA), exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

D. Cap on Insurer Liability for Terrorism Losses

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 billion in a calendar year and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

E. Application of Other Exclusions

The terms and limitations of any terrorism exclusion, the inapplicability or omission of a terrorism exclusion, or the inclusion of terrorism coverage, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by any pollution, pathogenic, nuclear hazard or war exclusions.

F. All other terms and conditions remain the same.



INTRODUCING THE HARTFORD'S NEWLY UPDATED SUITE OF EMPLOYMENT-RELATED RISK MANAGEMENT RESOURCES

Dear Valued Customer,

We are pleased to share our newly updated suite of employment-related risk management resources, available in our **Hartford Help®** portal, and invite you to acquaint yourself with them.

In today's climate, allegations of sexual and workplace harassment and employment-related lawsuits have reached alarming levels. Even seasoned human resources professionals can face challenges in determining whether a particular employment decision is lawful or appropriate.

The resources in the **Hartford Help®** portal were designed with our policyholders in mind, with a primary goal of increasing their practical understanding of employment-related risks, while helping them to avoid potential lawsuits and control losses. Just a few of the resources available include HR training tools, sample HR policies, model handbooks, and interactive maps that outline key state laws based on the state of operation. These services are provided for The Hartford by a leading workplace law firm, Jackson Lewis P.C.

Additionally, you have access to the **Jackson Lewis Help Line at 1-866-620-0014** to speak with an attorney for general employment-related questions. If you want further assistance, you also have access to discounted rates from Jackson Lewis to assist with the development of preventative practices, preparing employee handbooks and training supervisors.

Visit www.hartfordhelp.com

Your Invitation code: **Welcome Hartford**

We hope you take advantage of these valuable services offered to The Hartford's Employment Practices Liability customers. As always, thank you for choosing The Hartford. Together we prevail.

Please be advised that availing yourself of any of the services described herein will not constitute the filing of a notice of claim under any insurance policy, nor are any such services intended to be a replacement or substitute for your hiring of legal counsel. Jackson Lewis P.C. is an independent, third party law firm, and not a member company, subsidiary, or affiliate of The Hartford. Use of any of the services described herein is voluntary and solely at your own discretion.



**PRIVATE CHOICE PREFERREDSM
NON PROFIT ORGANIZATIONS
DECLARATIONS**

Policy Number: 22 KM 0795165-25

NOTICE: THE LIABILITY COVERAGE PARTS SCHEDULED IN ITEM 5 OF THE DECLARATIONS CONTAIN CLAIMS MADE COVERAGE. EXCEPT AS OTHERWISE SPECIFIED HEREIN: COVERAGE APPLIES ONLY TO A CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND WHICH HAS BEEN REPORTED TO THE INSURER IN ACCORDANCE WITH THE APPLICABLE NOTICE PROVISIONS. COVERAGE IS SUBJECT TO THE INSURED'S PAYMENT OF THE APPLICABLE RETENTION. PAYMENTS OF DEFENSE COSTS ARE SUBJECT TO, REDUCE AND MAY COMPLETELY EXHAUST THE AVAILABLE LIMITS OF LIABILITY. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE TERMS, CONDITIONS AND LIMITATIONS OF COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

ITEM 1: NAMED ENTITY AND ADDRESS:

SOUTHERN CONFERENCE OF NATIONAL COUNCIL
OF ARCHITECTURE REGISTRATION BOARDS
4204 SIX FORKS RD
#2803 (PO BOX 17332)
RALEIGH, NC 27609

ITEM 2: PRODUCER'S NAME AND ADDRESS:

22274078
SENTINEL RISK ADVISORS LLC
4700 SIX FORKS ROAD SUITE 200
RALEIGH, NC 27609

ITEM 3: POLICY PERIOD:

(A) Inception Date: 07/30/2025 12:01 a.m. local time at the address shown in ITEM 1
(B) Expiration Date: 07/30/2026 12:01 a.m. local time at the address shown in ITEM 1

ITEM 4: PREMIUM: \$1,570

ITEM 5: LIABILITY COVERAGE PART ELECTIONS:

*Only **Liability Coverage Parts** and coverage features designated with an "X" are included in this Policy.*

- ☐ **"COMBINED AGGREGATE LIMIT OF LIABILITY" \$NOT COVERED**
- ☐ **"Additional Defense Limit" options**
- ☐ "Combined Additional Defense Limit" - **OR-** NOT COVERED
- ☐ "Separate Additional Defense Limit(s)"
- ☐ Directors, Officers and Entity Liability Coverage Part NOT COVERED
- ☐ Employment Practices liability Coverage Part NOT COVERED
- ☐ Fiduciary Liability Coverage Part NOT COVERED

COVERAGE PARTS	LIMITS OF LIABILITY	RETENTIONS	PRIOR OR PENDING DATES
<input checked="" type="checkbox"/> NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY	<u>\$1,000,000</u> Aggregate Limit of Liability	Insured Person: <u>\$0</u> Entity Reimbursement <u>\$0</u>	<u>07/30/2025</u>
<input checked="" type="checkbox"/> Entity Liability	<u>\$1,000,000</u> Sub-Limit of Liability	<u>\$0</u>	<u>07/30/2025</u>
<input checked="" type="checkbox"/> D&O Demand Costs	<u>\$500,000</u> Sub-Limit of Liability	<u>\$0</u>	<u>07/30/2025</u>
<input checked="" type="checkbox"/> Legal Services Wrongful Act	<u>\$1,000,000</u> Sub-Limit of Liability	<u>\$0</u>	<u>07/30/2025</u>
<input checked="" type="checkbox"/> Additional Limit of Liability for Claims Against Managers	<u>\$1,000,000</u> Additional Limit of Liability	<u>\$0</u>	<u>07/30/2025</u>
<input checked="" type="checkbox"/> EMPLOYMENT PRACTICES LIABILITY	<u>\$1,000,000</u> Aggregate Limit of Liability	<u>\$5,000</u>	<u>07/30/2025</u>
<input checked="" type="checkbox"/> Third Party Liability	<u>\$1,000,000</u> Sub-Limit of Liability	<u>\$5,000</u>	<u>07/30/2025</u>
<input checked="" type="checkbox"/> Training Costs	<u>\$1,000,000</u> Sub-limit of Liability	<u>\$5,000</u>	<u>07/30/2025</u>
<input checked="" type="checkbox"/> Wage and Hour Defense Costs	<u>\$250,000</u> Sub-limit of Liability	<u>\$5,000</u>	<u>07/30/2025</u>
<input checked="" type="checkbox"/> Workplace Violence Expense	<u>\$250,000</u> Sub-limit of Liability	<u>\$0</u>	<u>07/30/2025</u>
<input type="checkbox"/> FIDUCIARY LIABILITY	<u>\$NOT COVERED</u> Aggregate Limits of Liability	<u>\$NOT COVERED</u>	<u>NOT COVERED</u>
<input type="checkbox"/> Settlement Programs	<u>\$NOT COVERED</u> Sub-Limit of Liability	<u>\$NOT COVERED</u>	<u>NOT COVERED</u>
<input type="checkbox"/> Pre-Claim Investigations	<u>\$NOT COVERED</u> Sub-Limit of Liability	<u>\$NOT COVERED</u>	<u>NOT COVERED</u>
<input type="checkbox"/> Benefit Denial Appeals	<u>\$NOT COVERED</u> Sub-Limit of Liability	<u>\$NOT COVERED</u>	<u>NOT COVERED</u>
<input type="checkbox"/> Fiduciary Inquiry Claims	<u>\$NOT COVERED</u> Sub-Limit of Liability	<u>\$NOT COVERED</u>	<u>NOT COVERED</u>
<i>Civil Fines & Penalties</i>			
<input type="checkbox"/> 502(c) Penalties	<u>\$NOT COVERED</u> Sub-Limit of Liability		
<input type="checkbox"/> Canada Fines & Penalties	<u>\$NOT COVERED</u> Sub-Limit of Liability		
<input type="checkbox"/> HIPAA/HITECH Penalties	<u>\$NOT COVERED</u> Sub-Limit of Liability		
<input type="checkbox"/> IRS Tax Penalties	<u>\$NOT COVERED</u> Sub-Limit of Liability		
<input type="checkbox"/> PPACA Penalties	<u>\$NOT COVERED</u> Sub-Limit of Liability		

ITEM 6: NON-LIABILITY COVERAGE PART ELECTIONS:

Only **Non-Liability Coverage Parts** designated with an "X" are included under this Policy

COVERAGE PARTS	LIMITS OF INSURANCE AND RETENTIONS
<input checked="" type="checkbox"/> CRIME	See Crime Coverage Part Dec. Page, Form No. PC00H60200
<input type="checkbox"/> KIDNAP AND RANSOM/ EXTORTION	See Kidnap and Ransom/Extortion Coverage Part Dec. Page, Form No. <u>N/A</u>

ITEM 7: EXTENDED REPORTING PERIOD:

(A) Duration: 12 Months

(B) Premium*: 100%

- Premium for the Extended Reporting Period elected shall be the indicated percentage of the sum of the annual premium specified for all **Liability Coverage Parts** plus the annualized amounts of any additional premiums charged during the **Policy Period**. The Extended Reporting Period is not available for the **Non-Liability Coverage Parts**.

ITEM 8: ENDORSEMENTS:

This Policy includes the following endorsements at issuance:

SEE FORM GU207 (SCHEDULE OF ENDORSEMENTS)

ITEM 9: ADDRESS FOR NOTICES TO INSURER:

For Claims other than Kidnap and Ransom/Extortion:

via mail: The Hartford
Hartford Financial Lines
One Hartford Plaza
Hartford, CT 06115
Attn: Claims Department (Financial Lines)
via email: HFPClaims@thehartford.com
via fax: (917) 464-6000

For all notices other than Claims:

via mail: The Hartford
Hartford Financial Lines
One Hartford Plaza
Hartford, CT 06115
Attn: Product Services Department (Financial Lines)
via email: HFPEXpress@thehartford.com
via fax: (866) 586-4550

For Kidnap and Ransom/Extortion Claims, see Kidnap and Ransom/Extortion Coverage Part Declarations.

This Policy shall not be valid unless countersigned by the Insurer's duly authorized representative.

PRIVATE CHOICE PREFERREDSM POLICY

COMMON TERMS, CONDITIONS AND LIMITATIONS

In consideration of the payment of the premium and subject to all terms, conditions and limitations of this Policy, the Insurer and the **Insureds** agree as follows:

I. POLICY CONSTRUCTION

- (A) One or more Coverage Parts may be included in this Policy. Only those Coverage Parts designated with an "X" on the Declarations are included in this Policy, subject to sub-sections I(B) and I(C), below.
- (B) Each included Coverage Part may have one or more elective Insuring Agreements or coverage features expressly referenced on the Declarations. In order to be included in this Policy, each such expressly referenced Insuring Agreement and coverage feature shall be designated with an "X" on the Declarations.
- (C) Coverage provided under any Coverage Part included in this Policy is subject to these Common Terms, Conditions and Limitations. If any term, condition or limitation in these Common Terms, Conditions and Limitations is inconsistent or in conflict with the terms, conditions and limitations of any Coverage Part, the terms, conditions and limitations of such Coverage Part shall control for purposes of that Coverage Part. Except as otherwise provided by specific reference to other Coverage Parts, the terms, conditions and limitations of each Coverage Part shall apply only to such Coverage Part.

II. COMMON DEFINITIONS

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

- **"Affiliate"** means any insurance company controlling, controlled by or under common control with the Insurer.
- **"Application"** means the application forms for this Policy, including, without limitation, any: (1) materials or information submitted therewith or made available to the Insurer during the underwriting process; or (2) warranty, representation or other statement provided to the Insurer. All such applications, materials, information, warranties, representations or other statements shall be on file with the Insurer and are the basis of, and shall be deemed incorporated into and constitute a part of, this Policy.
- **"Claim"** shall have the meaning specified for such term in each **Liability Coverage Part**.
- **"Controlled Partnership"** means a limited partnership in which and so long as the **Named Entity** owns or controls, directly or indirectly, more than 50% of the limited partnership interest and an **Insured Entity** is the sole general partner.
- **"Debtor in Possession"** means a "debtor in possession" as such term is defined in Chapter 11 of the U.S. Bankruptcy Code or any equivalent status under any similar law.
- **"Defense Costs"** means:
 - (1) reasonable legal fees, expenses and costs (including related expert fees, consultant fees, forensic accountant fees and e-discovery expenses) incurred in defending or appealing any **Claim**, or incurred at the Insurer's request in investigating a **Claim**;
 - (2) **Extradition Costs**; or
 - (3) the costs of appeal, attachment or similar bonds in connection with a **Claim**, provided that the Insurer shall have no obligation to furnish such bonds.

However, **Defense Costs** shall not include:

- (a) salaries, wages, remuneration, overhead, operating expenses, benefits or benefit expenses associated with any **Insureds**;

- (b) any fees, expenses or costs which are incurred by or on behalf of a party which is not a covered **Insured**; or
- (c) any fees, expenses or costs which were incurred prior to the date on which the Insurer received written notice of **Claim** from the **Insured**, or any fees, expenses or costs that were incurred without the express prior written consent of the Insurer, such consent not to be unreasonably withheld or delayed, other than **Potential Claim Expenses** or **Pre-Reporting Expenses** covered under sub-section III.(D) of these Common Terms, Conditions and Limitations

- **"Domestic Partner"** means any natural person qualifying as a legal spouse, domestic partner or party to a civil union under the provisions of any applicable federal, state, local law or foreign statutory law or common law, or under the provisions of any human resource policy of the **Insured Entity**.
- **"Effective Date and Time"** means the actual date and time that a transaction is legally consummated as evidenced by the controlling documents of the transaction, including, without limitation, the purchase and sale agreement, merger agreement, partnership agreement or trust agreement.
- **"Employee"** means any natural person who was, is or shall become a(n):
 - (1) employee of an **Insured Entity** including any full time, part time, seasonal, temporary, leased, or loaned employee; or
 - (2) volunteer or intern with an **Insured Entity**.

However, this definition of **Employee** shall hereby expressly not apply for purposes of the **Non-Liability Coverage Parts**.

- **"ERISA"** means the Employee Retirement Income Security Act of 1974.
- **"Expedited Settlement"** means the complete and final settlement of a **Claim**, first made during the **Policy Period**, within the first one hundred twenty (120) days after such **Claim** is made, but only if:
 - (1) such **Claim** is reported to the Insurer within the first thirty (30) days after it is made against any **Insured**;
 - (2) no **Insured** has offered to settle such **Claim**, admitted or assumed liability with respect to such **Claim**, or incurred any **Defense Costs** regarding such **Claim**, without the express prior written consent of the Insurer; and
 - (3) such settlement is:
 - (a) acceptable to the Insurer;
 - (b) recommended by the Insurer to the **Insureds**; and
 - (c) agreed to by all parties to such **Claim**.
- **"Extradition Costs"** means reasonable and necessary fees, expenses and costs directly resulting from a **Claim** in which an **Insured Person** opposes, challenges, resists or defends against any request for the extradition of such **Insured Person** from their current country of employ and domicile to any other country for trial or otherwise to answer any criminal accusation, including the appeal of any order or other grant of extradition of such **Insured Person**.
- **"Financial Insolvency"** means the status of an **Insured Entity** as a result of:
 - (1) the court appointment, pursuant to federal or state law, of any conservator, liquidator, receiver, rehabilitator, trustee or similar official to control, supervise, manage or liquidate such **Insured Entity**; or
 - (2) such **Insured Entity** becoming a **Debtor in Possession**.
- **"Foreign Jurisdiction"** means any jurisdiction, other than those in the United States of America or any of its territories or possessions.
- **"Independent Contractor"** means any natural person working in the capacity of an independent contractor for an **Insured Entity** pursuant to an **Independent Contractor Agreement**.

- **"Independent Contractor Agreement"** means any express contract or agreement between an **Independent Contractor** and an **Insured Entity** specifying the terms of the **Insured Entity's** engagement of such **Independent Contractor**.

- **"Insured Entity"** means:

(1) the **Named Entity**; or

(2) any **Subsidiary**.

Insured Entity shall include any such entity as a **Debtor in Possession**. **Insured Entity** shall also include any such entity in its capacity as a general partner of a **Controlled Partnership**

- **"Insured Person"** shall have the meaning specified for such term in each Coverage Part.
- **"Insureds"** shall have the meaning specified for such term in each Coverage Part.
- **"Interrelated Wrongful Acts"** means **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, or transaction, or series of causally connected facts, circumstances, situations, events, or transactions.
- **"Liability Coverage Part(s)"** means the Directors, Officers and Entity Liability Coverage Part, Employment Practices Liability Coverage Part and Fiduciary Liability Coverage Part. Coverage under any **Liability Coverage Part** is only included in this Policy if designated with an "X" in ITEM 5 of the Declarations.
- **"Loss"** shall have the meaning specified for such term in each **Liability Coverage Part**.
- **"Management Control"** means:

(1) owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of the board of directors, members of the management board, members of the board of governors, management committee or advisory committee of any corporation or limited liability company (including any joint venture structured as a corporation or limited liability company), or any functionally equivalent position; or

(2) having the right, pursuant to a written contract or the by-laws, charter, operating agreement or similar documents of any corporation or limited liability company (including any joint venture structured as a corporation or limited liability company), to elect, appoint or designate a majority of the board of directors, members of the management board, members of the board of governors, management committee or advisory committee of any corporation or limited liability company (including any joint venture structured as a corporation or limited liability company), or any functionally equivalent position.

- **"Manager"** means any natural person who was, is or shall become a(n):

(1) duly elected or appointed director, advisory director, board observer, advisory board member, officer, partner, principal, manager, managing member, member of the board of managers or management committee member of an **Insured Entity**;

(2) **Employee** in their capacity as legal counsel to an **Insured Entity**;

(3) actual or alleged de facto or shadow director of an **Insured Entity** while acting on behalf of the **Insured Entity** and to whom the **Insured Entity** has a written indemnification agreement; or

(4) executive of an **Insured Entity** created in a **Foreign Jurisdiction** to the extent that such executive holds a position equivalent to those described in (1) or (2) above.

However, this definition of **Manager** shall hereby expressly not apply for purposes of the Kidnap and Ransom/Extortion Coverage Part.

- **"Named Entity"** means the entity named in ITEM 1 of the Declarations.
- **"Non-Liability Coverage Part(s)"** means the Crime Coverage Part and Kidnap and Ransom/Extortion Coverage Part. Coverage under any **Non-Liability Coverage Part** is only included in this Policy if Policy if designated with an "X" in ITEM 5 of the Declarations and the relevant Declarations page for such Coverage Part.
- **"Notice Managers"** shall have the meaning specified for such term in each Coverage Part.

- **“Policy Period”** means the period from the Inception Date to the Expiration Date set forth in ITEM 3 of the Declarations or any earlier cancellation date.
- **“Pollutants”** means any solid, liquid, gaseous or thermal irritant, nuisance or contaminant, including, without limitation, smoke, vapor, soot, fumes, acids, alkalies, chemicals, odors, noise, lead, oil or oil product, radiation, asbestos or asbestos-containing product, waste and any electric, magnetic or electromagnetic field of any frequency. Waste includes, without limitation, material to be recycled, reconditioned or reclaimed. **Pollutants** also means any substance located anywhere in the world identified on a list of hazardous substances issued by any federal agency (including, nonexclusively, the Environmental Protection Agency) or any state, county, municipality or locality or counterpart thereof, or any foreign equivalent thereof. .
- **“Potential Claim Expenses”** means reasonable legal fees, expenses and costs incurred in defending any **Insured** in connection with a **Wrongful Act** that would be covered under a **Liability Coverage Part** included in this Policy and for which notice is given to the Insurer in accordance with the terms, conditions and limitations of such **Liability Coverage Part**.
- **“Pre-Reporting Expenses”** means **Defense Costs** incurred in defending any **Insured** in a **Claim** covered under a **Liability Coverage Part** included in this Policy before such **Claim** has been reported to the Insurer.
- **“Qualified Public Report”** means the public description of an occurrence that is covered only under a **Non-Liability Coverage Part** included under this Policy, which description also:

- (1) includes the legal identity of an **Insured** implicated in the coverage determination under such **Non-Liability Coverage Part**;
- (2) is broadcast by an on-the-air television or radio newscast, or published in a daily-circulated newspaper, or any official website thereof; and
- (3) first occurs during the **Policy Period**.

However, **Qualified Public Report** shall not mean any description by a source that does not employ a staff of journalists to report the news, or any description by or in any blog or social media.

- **“Subsidiary”** means any:
 - (1) for-profit entity in which, and so long as, the **Named Entity**, directly or indirectly has **Management Control**; or
 - (2) not-for-profit entity as described in Section 501(c) of the Internal Revenue Code of 1986, including any foundation, charitable trust or political action committee, in which, and so long as, the **Named Entity**, directly or indirectly has **Management Control**.

Subsidiary also means any **Controlled Partnership**.

- **“Wage and Hour Violation”** means any actual or alleged violation of the duties and responsibilities that are imposed upon an **Insured** by any federal, state or local law or regulation anywhere in the world that governs wage, hour and payroll practices, including, without limitation, the Fair Labor Standards Act or any similar law (except the Equal Pay Act). Such practices include, without limitation:
 - (a) the calculation and payment of wages, overtime wages, minimum wages and prevailing wage rates;
 - (b) the calculation and payments of benefits;
 - (c) the classification of any person or organization for wage and hour purposes;
 - (d) reimbursing business expenses;
 - (e) the use of child labor; or
 - (f) garnishments, withholdings and other deductions from wages.
- **“Wrongful Act”** shall have the meaning specified for such term in each Coverage Part.

III. COVERAGE EXTENSIONS

(A) Spousal/Domestic Partner Liability Coverage

Solely with respect to **Liability Coverage Parts**:

Coverage shall apply to the **Domestic Partner** of an **Insured Person** for a **Claim** made against such **Domestic Partner**, provided that:

- (1) such **Claim** arises solely out of:
 - (a) such person's status as the **Domestic Partner** of an **Insured Person**; or
 - (b) such **Domestic Partner's** ownership of property sought as recovery for a covered **Wrongful Act**;
- (2) the **Insured Person** is named in such **Claim** together with the **Domestic Partner**; and
- (3) coverage of the **Domestic Partner** shall be on the same terms, conditions and limitations, including any applicable Retention, as apply to coverage of the **Insured Person** for such **Claim**.

Coverage shall not apply, however, to any error, misstatement, misleading statement, act, omission, neglect, or breach of duty of such **Domestic Partner**.

(B) Estates and Legal Representatives

Solely with respect to **Liability Coverage Parts**:

In the event of the death, incapacity, insolvency or bankruptcy of an **Insured Person**, any **Claim** made against the estate, heirs, legal representatives or assigns of such **Insured Person** for a **Wrongful Act** of such **Insured Person** shall be deemed to be a **Claim** made against such **Insured Person**. No coverage shall apply to any **Loss** directly resulting from any **Wrongful Act** of such estate, heirs, legal representatives or assigns.

(C) Public Relations Reimbursement Extension - Non-Liability Coverage Parts

Solely with respect to **Non-Liability Coverage Parts**:

If, during the **Policy Period**, the **Insured Entity** notifies the Insurer in writing of a **Qualified Public Report** within sixty (60) days of the first broadcast or publication thereof, then, subject to the Insurer's express prior written consent, such consent not to be unreasonably withheld, the **Named Entity** shall be entitled to reimbursement for up to \$10,000 of reasonable and necessary public relations expenses incurred to mitigate the effects of the **Qualified Public Report**; provided further that:

- (1) all **Qualified Public Reports** 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 are deemed one **Qualified Public Report** first occurring on the date of the first such broadcast or publication thereof; and
- (2) the \$10,000 coverage provided by this extension shall:
 - (a) be the maximum aggregate amount the Insurer shall pay under this Policy for all **Qualified Public Reports**; and
 - (b) only be available for reimbursement if the **Insured Entity** has exhausted any Retention applicable to coverage for such occurrence giving rise to the **Qualified Public Report**. At such time as such applicable Retention is exhausted, there shall be no further Retention applicable to the coverage provided by this extension.

(D) Retention Reduction Credit – Liability Coverage

Solely with respect to **Liability Coverage Parts**:

(1) If, in connection with a covered **Claim**:

- (a) first made (or deemed first made) during the **Policy Period** and reported in accordance with the terms, conditions and limitations of a **Liability Coverage Part** included under this Policy, any **Potential Claim Expenses** were incurred by the **Insureds**, then such **Potential Claim Expenses** shall be deemed covered **Defense Costs** solely for the purpose of reducing the Retention applicable to such **Claim** by the Retention Reduction Credit, set forth herein below;
- (b) first made during the **Policy Period** and reported in accordance with the terms, conditions and limitations of a **Liability Coverage Part** included under this Policy, any **Pre-Reporting Expenses** were incurred by the **Insureds**, then such **Pre-Reporting Expenses** shall be covered **Defense Costs** solely for the purpose of reducing the Retention applicable to such **Claim** by the Retention Reduction Credit, set forth herein below; or
- (c) first made during the **Policy Period**, an **Expedited Settlement** occurs, then the Retention applicable to such **Claim** shall be reduced by the Retention Reduction Credit, set forth herein below.

(2) A Retention Reduction Credit amount at the lesser of either (a) \$25,000 or (b) 50% of the Retention applicable to a **Claim**, is the maximum amount that a Retention applicable to a **Claim** may be credited, regardless of whether such credit is afforded due to **Potential Claim Expenses**, **Pre-Reporting Expenses** an **Expedited Settlement**, or any combination thereof.

(3) Coverage pursuant to this extension shall not be deemed to waive the Insurer's rights under this Policy or with respect to any **Claim**.

IV. LIMITS OF LIABILITY

The following types of Limits of Liability apply to the **Liability Coverage Parts**:

(A) If a Combined Aggregate Limit of Liability is elected in ITEM 5 of the Declarations, then:

- (1) the Combined Aggregate Limit of Liability shall be the maximum aggregate amount the Insurer shall pay under this Policy for all **Loss** covered under all included **Liability Coverage Parts**, combined; and
- (2) any amount specified as an Aggregate Limit of Liability for any individual **Liability Coverage Part** in ITEM 5 of the Declarations, and any Sub-Limit of Liability applicable to coverage under any such **Liability Coverage Part**, shall be part of, and not in addition to, the amount stated as the Combined Aggregate Limit of Liability.

(B) The Aggregate Limit of Liability stated for each **Liability Coverage Part** included in ITEM 5 of the Declarations shall be the maximum aggregate amount the Insurer shall pay under this Policy for all **Loss** covered under such **Liability Coverage Part**. Any amount specified as a Sub-Limit of Liability for any coverage available under a **Liability Coverage Part** shall be part of, and not in addition to, the amount stated as the Aggregate Limit of Liability for such **Liability Coverage Part**.

(C) Each Sub-Limit of Liability stated in ITEM 5 of the Declarations, or by reference in, or Endorsement to, this Policy, shall be the maximum aggregate amount the Insurer shall pay under this Policy for all such sub-limited coverage.

(D) The Additional Defense Limit options, if elected in ITEM 5 of the Declarations, are each a Limit of Liability, solely available for the payment of **Defense Costs**, which Limit of Liabilities are paid in addition to, and prior to, the applicable Limits of Liability available for all **Loss**.

V. DEFENSE COSTS

Solely with respect to **Liability Coverage Parts**:

- (A) Other than as specified in sub-section V.(B), this is a defense-within-the-limits Policy. The Insurer's payment of **Defense Costs** reduce, and may exhaust completely, the Limits of Liability applicable to the **Liability Coverage Parts**. **Defense Costs** shall be paid as part of, and not in addition to, the Limits of Liability.
- (B) This Policy has two Additional Defense Limit options, either of which, but not both, may be elected in ITEM 5 of the Declarations.
- (1) If the option for "Combined Additional Defense Limit" is elected, the Insurer shall first pay **Defense Costs** from all **Claims** covered under all **Liability Coverage Parts** included under this Policy in the corresponding Combined Additional Defense Limit amount. This amount is stated in the aggregate for all such **Claims**, combined. Once this amount is exhausted, whether by payment of **Defense Costs** from one or more **Claims**, **Defense Costs** (along with other covered **Loss**) begin to reduce the Limits of Liability for included **Liability Coverage Parts**, as applicable.
- (2) If the option for "Separate Additional Defense Limit(s)" is elected, the Insurer shall first pay **Defense Costs** from all **Claims** covered under a designated **Liability Coverage Part** in the corresponding Separate Additional Defense Limit amount. This amount is stated in the aggregate for all **Claims** under such **Liability Coverage Part**, separately. Once this amount is exhausted, whether by payment of **Defense Costs** from one or more **Claims**, **Defense Costs** (along with other covered **Loss**) begin to reduce the Limits of Liability for such **Liability Coverage Part**, as applicable. A Separate Additional Defense Limit amount stated for one designated **Liability Coverage Part**, separately, may not be combined with an amount, if any, for another designated **Liability Coverage Part**. If two or more Separate Additional Defense Limit amounts may apply to a **Claim**, only the highest such amount shall be available, to exhaustion thereof, to pay **Defense Costs** for such **Claim**.

If any Additional Defense Limit amount available for **Defense Costs** stated in sub-section V(B)(1) or (B)(2), above, is exhausted by the payment of **Defense Costs**, then **Defense Costs** shall be paid by the Insurer out of any remaining applicable Limit of Liability until the exhaustion thereof. Under no circumstance can any **Loss**, other than **Defense Costs**, be paid out of any Additional Defense Limit option.

VI. RETENTION

Solely with respect to **Liability Coverage Parts**:

- (A) The Insurer shall pay **Loss** in excess of the Retention applicable to each **Loss** or **Claim** as specified in ITEM 5 of the Declarations.
- (B) The **Insureds** shall be liable for the payment of all Retentions. All Retentions shall be borne by the **Insureds** uninsured under this Policy, though where allowable by law, actual payment for a Retention may be made on behalf of the **Insured** by a party that is not an **Insured**. Payment by such a party must contain a written reference to the Insurer's identification number of the claim for which such payment is being made.
- (C) The Retention shall apply to **Defense Costs** covered under this Policy. If any **Defense Costs** are incurred by the Insurer prior to the **Insured's** complete payment of the Retention, then the **Insureds** shall reimburse the Insurer therefor upon request.
- (D) If a **Claim** or **Loss** is covered under more than one coverage, then a single Retention shall be applied to such **Loss** or **Claim** in an amount equal to the highest applicable Retention. No other Retentions shall apply to such **Loss** or **Claim**.
- (E) The **Insured Entities** agree to indemnify the **Insured Persons**, including the advancement of **Defense Costs** incurred by **Insured Persons**, to the fullest extent permitted by law. No Retention shall apply to **Loss** incurred by any **Insured Person** that an **Insured Entity** is not permitted by common or statutory law to indemnify, or is permitted or required to indemnify, but is not able to do so by reason of **Financial Insolvency**.
- (F) If an **Insured Entity** is unable to indemnify an **Insured Person** for any **Loss**, or to advance **Defense Costs** on their behalf, because of **Financial Insolvency**, then the **Named Entity** shall reimburse and hold harmless the Insurer for

the Insurer's payment or advancement of such **Loss** up to the amount of the applicable Retention that would have applied if such indemnification had been made.

- (G) If an **Insured Entity** is permitted or required by common or statutory law to indemnify an **Insured Person** for any **Loss**, or to advance **Defense Costs** on their behalf, and does not do so other than because of **Financial Insolvency**, then such **Insured Entity** and the **Named Entity** shall reimburse and hold harmless the Insurer for the Insurer's payment or advancement of such **Loss** up to the amount of the Retention that would have applied if such indemnification had been made.
- (H) If any **Insured Entity** (including, without limitation, the **Named Entity**) refuses or fails within sixty (60) days of an **Insured Person's** request to advance, pay or indemnify such **Insured Person** for covered **Loss**, or if an **Insured Entity** is unable to advance, pay or indemnify such **Insured Person** for covered **Loss** due to such **Insured Entity's Financial Insolvency**, then the Insurer shall advance such amounts for covered **Loss** on behalf of such **Insured Person** without applying the applicable Retention. However, if the Insurer pays **Loss** incurred by an **Insured Person** for which any **Insured Entity** is legally permitted or required and is financially able to advance, pay or indemnify, then such **Insured Entity** or the **Named Entity** shall reimburse the Insurer for such amounts up to the applicable Retention, and such amounts shall become due and payable as a direct obligation of the **Insured Entity** and **Named Entity** to the Insurer. In no event shall any such advancement, payment or indemnification by the Insurer relieve any **Insured Entity** or the **Named Entity** of any duty it may have to advance, pay or indemnify any **Insured Person**. Any such advancement, payment or indemnification by the Insurer within the applicable Retention shall apply toward the exhaustion of the applicable Limits of Liability.

VII. DEFENSE AND SETTLEMENT

Solely with respect to **Liability Coverage Parts**:

- (A) The Insurer shall have the right to defend **Claims** covered under this Policy. The Insurer shall also have the duty to defend **Claims** covered under the Policy, even if such **Claim** is groundless, false or fraudulent; provided, however, as conditions precedent to coverage:

- (1) the **Insureds** give notice to the Insurer in accordance with the applicable **Liability Coverage Parts'** terms, conditions and limitations; and
- (2) such **Claim** does not involve allegations, in whole or in part, of a **Wage and Hour Violation**.

Notwithstanding the foregoing, for any **Claim** involving allegations, in whole or in part, of a **Wage and Hour Violation**, it shall be the duty of the **Insureds**, and not the Insurer, to defend such **Claim**.

- (B) If the Insurer has the duty to defend a **Claim**, the Insurer's duty to defend such **Claim** shall cease upon exhaustion of any applicable Limit of Liability.

Notwithstanding the above, if an Additional Defense Limit option is elected in ITEM 5 of the Declarations, then the Insurer's duty, if any, to defend any **Claim** shall cease upon exhaustion of the maximum aggregate amount of **Defense Costs** available under both such Additional Defense Limit and any applicable Limit of Liability.

- (C) The **Insureds** shall not admit or assume any liability, make any settlement offer, enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** regarding any **Claim** without the express prior written consent of the Insurer, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, the **Insureds** may, without the consent of the Insurer, enter into a complete and final settlement agreement of a **Claim** in which the total **Loss** (including, without limitation, **Defense Costs**) does not exceed the applicable Retention. The Insurer shall not be liable for any **Loss** incurred as a result of any admission, assumption, offer, agreement, settlement or stipulation, or for any **Defense Costs**, to which it has not so consented or for which it has not, in writing, waived the prior written consent requirement.

- (D) The Insurer shall have the right to associate itself in the defense and settlement of any **Claim** that appears reasonably likely to involve this Policy. The Insurer may make any investigation it deems appropriate in connection with any **Claim**. The Insurer may, with the written consent of the **Insureds**, settle any **Claim** for a monetary amount that the Insurer deems reasonable.

(E) Notwithstanding the above, if an Additional Defense Limit option is elected in ITEM 5 of the Declarations, then the Insurer may, with the written consent of the **Insureds**, settle any **Claim** for a monetary amount that the Insurer deems reasonable. However, if an **Insured** fails or refuses to consent to the settlement of a **Claim** as recommended by the Insurer and acceptable to a claimant, then:

- (1) the Insurer's duty to defend such **Claim**, if any, shall cease; and
- (2) subject to the applicable Limit of Liability, the Insurer's maximum liability for such **Claim** shall be limited to the sum of:
 - (a) **Defense Costs** incurred up until such failure or refusal; plus
 - (b) 80% of **Defense Costs** incurred after such failure or refusal; plus
 - (c) **Loss** other than **Defense Costs** incurred to resolve such **Claim**, provided that if such amount exceeds the settlement amount recommended by the Insurer that the Insurer shall only be liable for 80% of the amount of such **Loss** in excess of such settlement amount.

(F) The **Insureds** shall, as a condition precedent to their rights under this Policy, cooperate with the Insurer and provide the Insurer with such information as the Insurer may reasonably request, and shall do nothing that may prejudice the Insurer's position or its potential or actual rights of recovery of **Loss**, including, without limitation, preserving all of the Insurer's rights of subrogation. The failure of an **Insured** to give the Insurer all information and cooperation as the Insurer may reasonably require shall not impair the rights of any other cooperating **Insured Person** under this Policy.

(G) With respect to a covered **Claim** for which the Insurer does not have the duty to defend, the Insurer shall advance **Defense Costs** in accordance with sub-section XI. (B) of these Common Term, Conditions and Limitations that the Insurer believes to be covered under this Policy until a different allocation is negotiated, mediated, arbitrated or judicially determined.

VIII. MINIMUM STANDARDS

In the event that there is an inconsistency between:

- (A) the terms, conditions and limitations that are required to meet minimum standards of a state's law pursuant to a state amendatory endorsement attached to this Policy, and
- (B) any other term or condition of this Policy,

it is understood and agreed that, where permitted by law, the Insurer shall apply those terms, conditions and limitations of (A) or (B) above that are more favorable to the **Insured**.

IX. EXTENDED REPORTING PERIOD

Solely with respect to **Liability Coverage Parts**:

- (A) If any **Liability Coverage Part** is cancelled or non-renewed for any reason other than non-payment of premium, the **Insureds** shall have the right, upon payment of the additional premium described in (B) and (C), below, to elect an extension of time to report **Claims** under such **Liability Coverage Part** (the "Extended Reporting Period").
- (B) As a condition precedent to the right to purchase the Extended Reporting Period, the **Insureds** shall send a written notice to elect the Extended Reporting Period to the Insurer together with the premium therefor. The right to elect the Extended Reporting Period shall end unless the Insurer receives such notice and premium within ninety (90) days of the effective date of such cancellation or non-renewal. There shall be no right to elect the Extended Reporting Period after such time.
- (C) The premium for the Extended Reporting Period shall be that percentage specified in ITEM 7 of the Declarations of the sum of the original annual premium plus the annualized amount of any additional premium charged by the Insurer during the **Policy Period**. Such premium shall be deemed fully earned at the inception of the Extended Reporting Period.

- (D) The Extended Reporting Period shall be for the duration specified in ITEM 7 of the Declarations following the termination of the **Policy Period**.
- (E) Coverage during the Extended Reporting Period shall apply to **Claims** made during the Extended Reporting Period for **Wrongful Acts** occurring prior to the earlier of the termination of the **Policy Period** or the **Effective Date and Time** of any transaction described in Section XIV. CHANGES IN EXPOSURE, (B) Takeover of Named Entity. No coverage shall apply for any **Wrongful Act** occurring after such time.
- (F) There is no separate or additional Limit of Liability for any Extended Reporting Period.
- (G) If during the Extended Reporting Period the **Insureds** first become aware of a **Wrongful Act** occurring before or during the **Policy Period** that may reasonably be expected to give rise to a **Claim**, and if written notice of such **Wrongful Act** is given to the Insurer during the Extended Reporting Period, including the reasons for anticipating such a **Claim**, the nature and date of the **Wrongful Act**, the identity of the **Insureds** allegedly involved, the alleged injuries or damages sustained, the names of potential claimants, and the manner in which the **Insureds** first became aware of such **Wrongful Act**, then any **Claim** subsequently made which arises from such **Wrongful Act** shall be deemed to be a **Claim** first made during the Extended Reporting Period, and therefore subject to the terms, conditions and limitations of this Policy, including, without limitation, Section VII., of these Common Terms, Conditions and Limitations and the reporting requirements set forth in the NOTICE OF CLAIM provisions of this Policy, on the date that the Insurer receives the above notice.

X. INTERRELATIONSHIP OF CLAIMS

Solely with respect to **Liability Coverage Parts**:

This Policy provides claims-made coverage. Coverage may be granted solely for **Claims** first made, or deemed first made, during the **Policy Period**. All **Claims** based upon, arising from or in any way related to the same act, matter, fact, circumstance, situation, event or transaction (or series of causally connected acts, matters, facts, circumstances, situations, events or transactions) including, without limitation, any **Claims** resulting from any **Wrongful Acts** or any **Interrelated Wrongful Acts**, shall be treated as a single **Claim** under this Policy first made on the earliest of the following dates:

- (A) the date any of such **Claims** was first made, or deemed to have been first made, against any **Insured** regardless of whether such date is before or during the **Policy Period**; or
- (B) the date notice of any such act, matter, fact, circumstance, situation, event or transaction, **Wrongful Act** or **Interrelated Wrongful Act** alleged in any of such **Claims** was given to:
- (1) the Insurer under a **Liability Coverage Part** included in this Policy;
 - (2) the Insurer or an **Affiliate** under any policy issued by the Insurer or an **Affiliate** of which this Policy is a renewal or replacement; or
 - (3) an insurer (other than the Insurer or an **Affiliate**) under any other liability insurance policy providing coverage similar in scope to this Policy; provided, however, that such notice is accepted under such other policy.

XI. ALLOCATION

Solely with respect to **Liability Coverage Parts**:

If an **Insured** who is afforded coverage for a **Claim** incurs an amount consisting of both **Loss** that is covered by this Policy and also loss that is not covered by this Policy because such **Claim** includes both covered and uncovered matters, then coverage shall apply as follows:

- (A) with respect to a covered **Claim** for which the Insurer has the duty to defend:
- (1) 100% of the **Insured's Defense Costs** shall be allocated to covered **Loss**; and

(2) All other **Loss** shall be allocated between covered **Loss** and non-covered loss based upon the relative legal exposure of all parties to such matters.

(B) with respect to a covered **Claim** for which the Insurer does not have the duty to defend, all **Loss** (including, without limitation, **Defense Costs**) shall be allocated between covered **Loss** and non-covered loss based upon the relative legal exposure of all parties to such matters.

XII. OTHER INSURANCE

If **Loss** arising from any **Claim** is insured under any other valid and collectible policy or policies, then this Policy shall apply only in excess of, and shall not contribute with, 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. Any payments made under any such policy(ies) shall serve to offset any applicable Retention amounts set forth in the Declarations.

XIII. CANCELLATION

(A) The Insurer may cancel this Policy for non-payment of premium by sending not less than twenty (20) days notice to the **Named Entity**. This Policy may not otherwise be cancelled by the Insurer.

(B) Except as provided in sub-section XIV. CHANGES IN EXPOSURE, (B) Takeover of Named Entity, the **Insureds** may cancel this Policy by sending written notice of cancellation to the Insurer. Such notice shall be effective upon receipt by the Insurer unless a later cancellation time is specified therein.

(C) Any unearned premium as a result of a cancellation shall be calculated on a pro rata basis. Payment of any unearned premium shall not be a condition precedent to the effectiveness of a cancellation. The Insurer shall make payment of any unearned premium as soon as practicable.

XIV. CHANGES IN EXPOSURE

(A) Merger, Acquisitions or Created Subsidiaries

If, before or during the **Policy Period**, any **Insured Entity** merges with another entity such that the **Insured Entity** is the surviving entity, or if any **Insured Entity** acquires or creates a **Subsidiary**, then such merged, acquired or created entity and its subsidiaries, and any natural persons that would qualify as **Insured Persons** thereof, shall be **Insureds** to the extent such entities and persons would otherwise qualify as **Insureds**, but only:

(1) with respect to each included **Liability Coverage Part**, for **Wrongful Acts** occurring after the **Effective Date and Time** of such merger, acquisition or creation. No coverage shall be available for any **Wrongful Act** of such **Insureds** occurring on or before the **Effective Date and Time** of such acquisition or creation, or for any **Interrelated Wrongful Acts** thereto.

(2) with respect to each included **Non-Liability Coverage Part**, for loss and events occurring after the **Effective Date and Time** of such merger, acquisition or creation; no coverage shall be available for loss or event occurring on or before such acquisition or creation.

(B) Takeover of Named Entity

If, before or during the **Policy Period**:

(1) the **Named Entity** merges into or consolidates with another entity such that the **Named Entity** is not the surviving entity; or

(2) another person or entity, group of persons or entities, or persons and entities acting in concert, acquire **Management Control** of the **Named Entity**;

then coverage shall:

- (a) with respect to each included **Liability Coverage Part**, continue under such **Liability Coverage Part**, but only for **Wrongful Acts** occurring before the **Effective Date and Time** of any such transaction. No coverage shall be available for any **Wrongful Act** occurring after the **Effective Date and Time** of such transaction; and
- (b) with respect to each included **Non-Liability Coverage Part**, terminate at the **Effective Date and Time** of any such transaction.

At the **Effective Date and Time**, this Policy shall not be cancelled by the **Insured** and the entire premium for this Policy shall be deemed fully earned. The Insured shall give the Insurer written notice and full, written details of such transaction as soon as practicable. If any transaction described herein occurs, then the Insurer shall not be obligated to offer any renewal or replacement of this Policy.

If the **Named Entity** gives the Insurer written notice of a transaction described in sub-sections XIV. (B)(1) or (B)(2), above, at least sixty (60) days prior to the date of such takeover, together with all information that the Insurer may require, the Insurer shall provide the **Named Entity** with a quote for an extension of coverage, solely for **Claims** for **Wrongful Acts** first occurring prior to such transaction (the "Run-Off Quote"). Such extension may be for a one (1) year term, at the shortest, to a six (6) year term, at the longest. Coverage offered pursuant to the Run-Off Quote shall be for an additional premium and may be subject to additional or different terms, conditions and limitations as may be in effect at the time of the takeover. If the **Named Entity** accepts, at its discretion, the Run-Off Quote, the extension of coverage provided pursuant to the Run-Off Quote shall replace any extension of coverage that would otherwise be available to the Insureds pursuant to Section IX. EXTENDED REPORTING PERIOD.

(C) Loss of Subsidiary Status

If, before or during the **Policy Period**, any entity ceases to be a **Subsidiary**, then:

- (1) coverage shall be afforded under the included **Liability Coverage Parts** for such **Subsidiary** and its **Insured Persons**, but only for a **Wrongful Act** of such **Insureds** occurring before the **Effective Date and Time** of such transaction. No coverage shall be available for any **Wrongful Act** of such **Insureds** occurring after the **Effective Date and Time** of such transaction.
- (2) coverage shall not be afforded under the included **Non-Liability Coverage Parts** in connection with such **Subsidiary** as of the date such entity ceased to be a **Subsidiary**.

XV. SUBROGATION

- (A) The Insurer shall be subrogated to all of the **Insureds'** rights of recovery regarding any payment of **Loss** by the Insurer under this Policy. The **Insureds** shall execute all papers required and do everything necessary to secure and preserve such rights, including the execution of any documents necessary to enable the Insurer to effectively bring suit in the name of the **Insureds**. The **Insureds** shall do nothing to prejudice the Insurer's position or any potential or actual rights of recovery.
- (B) Solely with respect to **Liability Coverage Parts**, the Insurer shall not exercise its rights of subrogation against an **Insured Person** under this Policy unless such **Insured Person** has:
 - (1) obtained any personal profit, remuneration or advantage to which such **Insured Person** was not legally entitled, or
 - (2) committed a criminal or deliberately fraudulent act or omission or any willful violation of law,

if a judgment or other non-appealable final adjudication establishes such personal profit, remuneration, advantage, act, omission, or violation.

XVI. APPLICATION

- (A) The **Insureds** represent that the statements, representations and information contained in the **Application** are true, accurate and complete. This Policy is issued in reliance upon the **Application**, which shall be construed as a separate **Application** for coverage by each **Insured**.

(B) If the **Application** contains intentional misrepresentations or misrepresentations that materially affect the acceptance of the risk or the hazard assumed by the Insurer:

(1) For the purpose of determining coverage under all Coverage Parts other than the Directors, Officers and Entity Liability Coverage Part, 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 chief executive officer, chief financial officer, human resources director or any position equivalent to the foregoing of the **Named Entity**, or anyone signing the **Application**, shall be imputed to all **Insured Entities**. No other person's knowledge shall be imputed to an **Insured Entity**.

(2) For the purpose of determining coverage under the Directors, Officers and Entity Liability Coverage Part, no coverage shall be afforded under this Policy for:

- (a) any **Insured Persons**, under Insuring Agreement (A), who knew as of the Inception Date of this Policy the facts that were so misrepresented in the **Application**, provided, however, that knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**;
- (b) an **Insured Entity**, under Insuring Agreement (B), to the extent it indemnifies any **Insured Person** referenced in sub-paragraph (2)(a), above; and
- (c) an **Insured Entity**, under Insuring Agreements (C) and (D), if any chief executive officer, chief financial officer or any position equivalent to the foregoing of the **Named Entity**, or anyone signing the **Application**, knew as of the Inception Date of this Policy the facts that were so misrepresented in the **Application**.

However, notwithstanding the foregoing, under no circumstances shall the Insurer be entitled to rescind this Policy in whole or in part.

XVII. ACTION AGAINST THE INSURER

(A) Solely with respect to **Liability Coverage Parts**:

- (1) No action shall be taken against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms, conditions and limitations of this Policy.
- (2) No person or organization shall have any right under this Policy to join the Insurer as a party to any action against any **Insureds** nor shall the Insurer be impleaded by any **Insureds** or their legal representative in any such **Claim**.

(B) Solely with respect to the **Crime Coverage Part**:

- (1) No legal action shall be taken against the Insurer involving loss unless the **Insured** has complied with all the terms of this Policy; and
- (2) No legal action shall be taken against the Insurer involving loss until ninety (90) days after the **Insured** has filed proof of loss with us; and
- (3) No legal action shall be taken against the Insurer involving loss unless such action is brought within two (2) years from the date that the **Insured** discovers such loss.

(C) Solely with respect to the **Kidnap And Ransom/Extortion Coverage Part**:

No suit, action or proceeding for recovery of any claim under this Policy shall be sustainable in any court of law, equity or other tribunal unless all the requirements of this Policy shall have been complied with and the same be commenced within twenty-four (24) months after a claim for actual loss or expenses has been reported to the Insurer by the **Insured**.

XVIII. ASSIGNMENT

Assignment of interest under this Policy shall not bind the Insurer without its consent as specified in a written endorsement issued by the Insurer to form a part of this Policy.

XIX. BANKRUPTCY OR INSOLVENCY

- (A) Bankruptcy or insolvency of any **Insureds** shall not relieve the Insurer of any of its Obligations nor deprive the Insurer of its rights or defenses under this Policy.
- (B) In the event that a liquidation or reorganization proceeding is commenced by or against an **Insured Entity** (whether voluntarily or involuntarily) under any bankruptcy law then, in regard to a **Claim** under this policy, the **Insureds** agree:
- (1) to waive and release any automatic stay or injunction to the extent it may apply in such proceeding to the proceeds of this Policy under any bankruptcy law; and
 - (2) not to oppose or object to any efforts by the Insurer or any **Insured** to obtain relief from any stay or injunction applicable to the proceeds of this Policy resulting from the commencement of a proceeding under any bankruptcy law.

XX. AUTHORIZATION OF NAMED ENTITY

Unless expressly stated under the terms, conditions and limitations of this Policy, the **Named Entity** shall act on behalf of all **Insureds** with respect to all matters under this Policy, including, without limitation, the giving and receiving of notices regarding **Claims**, cancellation, payment of premiums, receipt of any return premiums, and acceptance of any endorsements to this Policy.

XXI. CHANGES

This Policy shall not be changed or modified except in a written endorsement issued by the Insurer to form a part of this Policy.

XXII. ENTIRE AGREEMENT

This Policy, including the Declarations, Common Terms, Conditions and Limitations, included Coverage Part(s), **Application** and any written endorsements attached hereto, constitute the entire agreement between the **Insureds** and the Insurer relating to this insurance.

XXIII. NOTICE ADDRESSES

All notices to the **Insureds** shall be sent to the **Named Entity** at the address specified in ITEM 1 of the Declarations. All notices to the Insurer shall be sent to the address specified in ITEM 9 of the Declarations. Any such notice shall be effective upon receipt by the Insurer at such address.

XXIV. HEADINGS

The headings of the various sections of this Policy are intended for reference only and shall not be part of the terms, conditions and limitations of coverage.

XXV. REFERENCES TO LAWS - GLOBAL

- (A) Wherever this Policy mentions any law, including, without limitation, any statute, Act or Code of the U.S., such mention shall be deemed to include all amendments of, and all rules or regulations promulgated under, such law.
- (B) Wherever this Policy mentions any law or laws, including, without limitation, any statute, Act or Code of the U.S., and such mention is followed by the phrase "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.

XXVI. COVERAGE TERRITORY

(A) Coverage under this Policy applies worldwide.

(B) All amounts under this Policy are and shall be expressed and payable in the currency of the United States of America. If a judgment is rendered, settlements are denominated or other elements of **Loss** are stated or incurred in a currency other than United States of America dollars, payment of covered **Loss** under this Policy (subject to the terms, conditions and limitations of this Policy) shall be made either in such other currency (at the option of the Insurer and if agreeable to the **Named Entity**) or in United States of America dollars at the rate of exchange published in the *Wall Street Journal* on the date the Insurer's obligation to pay such **Loss** is established (or, if not published on that date, on the date of next publication). This clause is not intended to, and shall not be interpreted to, narrow the scope of coverage otherwise provided under this Policy.

(C) **Loss** incurred in a **Foreign Jurisdiction** by an **Insured** may be deemed a **Loss** of the **Named Entity** payable by the Insurer to the **Named Entity** at the address listed in ITEM 1 of the Declarations. Any such payment by the Insurer to the **Named Entity** shall fully discharge the Insurer's liability under this Policy for such **Loss** to such **Insured Entity**.

XXVII. PREMIUM

The premium for this Policy shall be stated in ITEM 4 of the Declarations. Any coverage purchased during the **Policy Period** shall be part of an annualized premium computation for all purposes. If any Limit of Liability or Limit of Insurance is exhausted, the premium for this Policy shall be deemed fully earned.

SPECIMEN

PRIVATE CHOICE PREFERREDSM POLICY

NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART

I. INSURING AGREEMENTS

(A) Insured Person Liability

- (1) The Insurer shall pay **Loss** on behalf of an **Insured Person** resulting from an **Insured Person Claim** (other than a **D&O Inquiry Claim**) first made against such **Insured Person** during the **Policy Period** or Extended Reporting Period, if applicable, for a **Wrongful Act** by such **Insured Person**, except for **Loss** that an **Insured Entity** pays to or on behalf of such **Insured Person** as indemnification.
- (2) The Insurer shall pay **D&O Inquiry Costs** on behalf of an **Insured Person**, incurred solely by such **Insured Person**, resulting from a **D&O Inquiry Claim** first made against such **Insured Person** during the **Policy Period**, except for **D&O Inquiry Costs** that an **Insured Entity** pays to or on behalf of such **Insured Person** as indemnification; provided, however, that any such payment by the Insurer is further subject to the terms, conditions and limitations governing *Elective Notice* set forth in sub-section VIII.(A)(2), herein below.

(B) Entity Reimbursement

- (1) The Insurer shall pay **Loss** on behalf of an **Insured Entity** that such **Insured Entity** has, to the extent permitted or required by law, indemnified an **Insured Person** resulting from an **Insured Person Claim** (other than a **D&O Inquiry Claim**) first made against such **Insured Person** during the **Policy Period** or Extended Reporting Period, if applicable, for a **Wrongful Act** by such **Insured Person**.
- (2) The Insurer shall pay **D&O Inquiry Costs** on behalf of an **Insured Entity** that such **Insured Entity** has, to the extent permitted or required by law, indemnified an **Insured Person**, incurred solely by such **Insured Person**, resulting from a **D&O Inquiry Claim** first made against such **Insured Person** during the **Policy Period**; provided, however, that any such payment by the Insurer is further subject to the terms, conditions and limitations governing *Elective Notice* set forth in sub-section VIII.(A)(2), herein below.

(C) Entity Liability (ELECTIVE)

The Insurer shall pay **Loss** on behalf of an **Insured Entity** resulting from an **Entity Claim** first made against such **Insured Entity** during the **Policy Period** or Extended Reporting Period, if applicable, for a **Wrongful Act** by such **Insured Entity**.

(D) D&O Demand Costs (ELECTIVE)

The Insurer shall pay **D&O Demand Costs** on behalf of an **Insured Entity** resulting from a **D&O Demand** first made against such **Insured Entity** during the **Policy Period** or Extended Reporting Period, if applicable; provided, however, that the Insurer will only pay **Books and Records Costs** once a **Claim** (other than a **Books and Records Demand**) based upon, arising from or in any way related to such **Books and Records Demand** is first made against such **Insured Entity**.

II. DEFINITIONS

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

- “**Books and Records Costs**” means reasonable and necessary fees, costs and expenses incurred by an **Insured Entity** in response to a **Books and Records Demand** from the date that such **Books and Records Demand** is received by the **Insured**. **Books and Records Costs** shall not include salaries, wages, remuneration, overhead, operating expenses, benefits or benefit expenses associated with any **Insureds**.

- **“Books and Records Demand”** means a written demand by or on behalf of any security holder(s) of an **Insured Entity**, in their capacity as such, to inspect the stock ledger, list of stockholders and other books and records of such **Insured Entity**, pursuant to Title 8, Chapter 1, Section 220 of the Delaware General Corporation Law or any similar law.
- **“Claim”** means any:
 - (1) **Insured Person Claim**;
 - (2) **Entity Claim**; or
 - (3) **D&O Demand**.
- **“Computer System”** means computers, input and output devices, network devices and equipment, peripheral devices, storage devices, back-up facilities, mobile devices, and associated computer programs, software and applications.
- **“D&O Demand”** means any **Books and Records Demand** commenced by an **Insured Entity’s** receipt of written notice thereof, or any **Derivative Demand** commenced by a **Manager’s** receipt of written notice thereof.
- **“D&O Demand Costs”** means:
 - (1) **Books and Records Costs**; and
 - (2) **Derivative Demand Costs**.
- **“D&O Inquiry Claim”** means a written request made to an **Insured Person**, without connection to an identified **Wrongful Act**, to appear at an interview or meeting, or to provide sworn testimony, by an:
 - (1) **Enforcement Entity** in connection with either: (a) such **Insured Person** acting solely in their capacity as such; or (b) the business of an **Insured Entity**; or
 - (2) **Insured Entity** (including its board of directors or any committee of its board of directors, or their respective functional equivalents) in connection with either: (a) an investigation of an **Insured Entity** by an **Enforcement Entity**; or (b) a **Derivative Demand**.

D&O Inquiry Claim shall not include: (i) any request for document production or discovery of information unless such documents or information are in the sole possession and control of such **Insured Person**; (ii) any routine or regularly scheduled oversight, supervision, inspection, compliance activity, review, examination, production or audit, including any request for mandatory information produced in an **Insured Entity’s** and/or **Enforcement Entity’s** normal review or compliance process; or (iii) any request by an **Enforcement Entity** that is part of an employment-related investigation or claim.
- **“D&O Inquiry Costs”** means the reasonable and necessary fees, costs, and expenses incurred by an **Insured Person** solely in connection with their preparation for a response to a **D&O Inquiry Claim**. **D&O Inquiry Costs** shall not include: (1) the costs of complying with any formal or informal discovery or other request seeking documents, records, or electronic information in the possession or control, in whole or in part, of an **Insured Entity**, the requestor or any other third party; or (2) salaries, wages, remuneration, overhead, operating expenses, benefits or benefit expenses associated with any **Insureds**.
- **“Derivative Action”** means any civil proceeding against a **Manager** (and/or **Insured Entity** in its capacity as a nominal defendant) for a **Wrongful Act** of such **Manager**, made on behalf of, or in the name or the right of, an **Insured Entity** by any member(s) of such **Insured Entity**, or by any State Attorney General, in their capacity as such, if such proceeding is made without the assistance, participation or solicitation of any **Manager**.
- **“Derivative Demand”** means any written demand by any member(s) of an **Insured Entity** or by any State Attorney General, in their capacity as such, upon the board of directors or board of managers (or equivalent management body) of such **Insured Entity** to bring a **Derivative Action**.
- **“Derivative Demand Costs”** means reasonable and necessary fees, costs and expenses incurred solely by an **Insured Entity** (including its board of directors or board of managers or equivalent management body or any committee thereof), in its investigation and evaluation of a **Derivative Demand**. **Derivative Demand Costs** shall not include salaries, wages, remuneration, overhead, operating expenses, benefits or benefit expenses associated with any **Insureds**.

- **“Enforcement Entity”** means any federal, state, local or foreign law enforcement authority or other governmental regulatory authority (including the U.S. Department of Justice or similar authority in any **Foreign Jurisdiction**, and any federal or state attorney general).
- **“Entity Claim”** means any:
 - (1) written demand (other than a **D&O Demand**) for monetary damages or for other non-monetary (including injunctive or other equitable) relief against an **Insured Entity** commenced by the **Insured Entity’s** receipt of such demand, including:
 - (a) a written demand to toll or waive the running of the statute of limitations; and
 - (b) a written demand to engage in arbitration, mediation or any other alternative dispute resolution;
 - (2) civil proceeding for civil monetary damages or other civil non-monetary (including injunctive or other equitable) relief, against an **Insured Entity**, commenced by the **Insured Entity’s** receipt of service of a complaint or similar pleading;
 - (3) criminal proceeding against an **Insured Entity**, commenced when an **Insured** is arrested, made the subject of an indictment that has been returned by a grand jury or has been served with an accusation, information, complaint, summons or similar charging document filed in a criminal court; or
 - (4) formal administrative or regulatory proceeding against an **Insured Entity**, commenced by the **Insured Entity’s** receipt of service of a complaint or similar pleading, a filed notice of charges or, with respect to a foreign proceeding, any similar document.

After, and only to the extent that, an investigation qualifies as an **Insured Person Claim** in accordance with subparagraph (6) of the definition of the **Insured Person Claim** herein, **Entity Claim** also means any civil administrative or regulatory investigation of the **Insured Entity** upon such **Insured Entity’s** receipt of a formal order of investigation. **Entity Claim** shall not include any other investigation.

- **“Insured Person”** means any:
 1. **Manager**;
 2. **Employee**; or
 3. **Independent Contractor**, but only:
 - (a) while they are acting on behalf of an **Insured Entity**; and
 - (b) if and to the extent that the **Insured Entity** agrees to indemnify them in the same manner as the **Insured Entity’s Managers** for liability for **Loss**
- **“Insured Person Claim”** means any:
 - (1) written demand (other than a **D&O Demand**) for monetary damages or for other non-monetary (including injunctive or other equitable) relief against an **Insured Person**, commenced by the **Insured Person’s** receipt of such demand, including:
 - (a) a written demand to toll or waive the running of the statute of limitations; and
 - (b) a written demand to engage in arbitration, mediation or any other alternative dispute resolution;
 - (2) civil proceeding, for civil monetary damages or other civil non-monetary (including injunctive or other equitable) relief, against an **Insured Person**, commenced by the **Insured Person’s** receipt of service of a complaint or similar pleading;

- (3) criminal proceeding against an **Insured Person**, commenced when an **Insured Person** is arrested, made the subject of an indictment that has been returned by a grand jury or has been served with an accusation, information, complaint, summons or similar charging document filed in a criminal court;
- (4) formal administrative or regulatory proceeding against an **Insured Person**, commenced by the **Insured Person's** receipt of service of a complaint or similar pleading, a filed notice of charges, or, with respect to a foreign proceeding, any similar document;
- (5) written request upon an **Insured Person** for written testimony or document production commenced by the service of a subpoena or other similar written request which compels such testimony or the production of documents in connection with any matter described in sub-paragraphs (1) through (4), above, solely under Insuring Agreement (A)(1), and provided that the Insurer shall only pay **Defense Costs** which are incurred solely by such **Insured Person**;
- (6) investigation of an **Insured Person** for a **Wrongful Act** by an **Enforcement Entity**, commenced by such **Insured Person's** receipt of a written document identifying such **Insured Person** as the target of such **Enforcement Entity**, including a Wells Notice from the U.S. Securities and Exchange Commission indicating that it may commence an enforcement action against such **Insured Person**, a target letter (within the meaning of Title 9, §11.151 of the U.S. Attorney's Manual), a subpoena or similar document; or
- (7) **D&O Inquiry Claim**, solely covered under Insuring Agreements A(2) and B(2), commenced by the **Insured Person's** receipt of written notice thereof.

- "Insured(s)" means any:

- (1) **Insured Entity**; or
- (2) **Insured Person**.

- "**Legal Services Wrongful Act**" means professional legal services and notarizing services rendered to an **Insured Entity** by an **Insured Person** solely while acting in their capacity as an **Insured Person**.

- "**Loss**" means the following amounts that the **Insureds** are legally liable to pay solely as a result of a **Claim** covered by this **Liability Coverage Part**:

- (1) compensatory damages and costs awarded pursuant to judgments, including pre-and post-judgment interest;
- (2) settlement amounts;
- (3) the plaintiffs' attorneys' fees awarded by a court to prevailing plaintiffs' counsel pursuant to a covered judgment against an **Insured** or as an express written part of a covered settlement amount;
- (4) punitive damages, exemplary damages or the multiple portion of any multiplied damage award;
- (5) solely with respect to Insuring Agreements (A)(1) or (B)(1), **Personal Asset Protection Costs**;
- (6) if and to the extent such damages are insurable by law and otherwise covered under this Policy, any;

- (a) civil penalties assessed under:

- (i) IRS code section 6652(C)(1)(a) for a failure to file tax returns; provided, however, that coverage for such civil penalties referred to in this sub-paragraph is conditioned upon such penalty being the direct result of a self-reported violation;

- (ii) Public Law 108-187 (the CAN-Spam Act of 2003); and

- (iii) the 1976 Lobby law or the Lobbying disclosure Act of 1995;

provided however that the coverage set forth in sub-section (6)(a) is subject to an aggregate Sub-Limit of Liability of \$50,000 and said Sub-Limit shall be a part of and not an addition to the Aggregate Limit of Liability for this **Liability Coverage Part**;

- (b) the 10% excise tax imposed upon an **Insured Person** pursuant to 26 U.S.C. 4958(a)(2) as the result of such **Insured Person's** alleged participation in an excess benefit transaction

- (7) solely with respect to Insuring Agreement (A)(1) and (B)(1), if and to the extent such damages are insurable by law and otherwise covered under this Policy, those civil fines or penalties assessed against an **Insured Person** for an unintentional and non-willful violation of any federal, state, local or foreign law, including, without limitation, any such fines or penalties assessed pursuant to Section 2(g)(2)(B) of the Foreign Corrupt Practices Act (15 U.S.C. §§ 78dd-2(g)(2)(B));
- (8) solely with respect to Insuring Agreements (A)(2) or (B)(2), **D&O Inquiry Costs**;
- (9) solely with respect to Insuring Agreement (D), **D&O Demand Costs**; and
- (10) **Defense Costs** incurred in connection with the foregoing.

Loss shall not include:

- (1) taxes, other than as provided in sub-paragraph (6)(b), above;
- (2) fines or penalties, other than as provided in sub-paragraphs (4), (6)(a) and (7), above;
- (3) amounts incurred to comply with any order for non-monetary (including injunctive or other equitable) relief, any agreement to provide such relief or any regulatory or administrative directive;
- (4) amount incurred in testing for, abating, monitoring, cleaning-up, removing, containing, treating, detoxing or neutralizing **Pollutants**, nuclear material or nuclear waste;
- (5) the return of funds, including those that the **Insured** received under any type of grant, program, contract or similar agreement or arrangement;
- (6) any actual or alleged excess compensation which was paid to or received by any **Insured Person**; and
- (7) any amounts uninsurable pursuant to any applicable law; provided, however, the insurability of punitive damages, exemplary damages or the multiple portion of any multiplied damage award shall be determined by any applicable jurisdiction that most favors coverage of such damages, including, without limitation, the jurisdiction in which the **Insured**, the Insurer or such **Claim** is located.

● **Network Security or Privacy Event**” means any:

- (1) unauthorized access to or unauthorized use or modification to any data or **Computer System**, including, without limitation, access thereto by authorized parties in an unauthorized manner, or use thereof for a purpose not intended or permitted by either the owner thereof or the **Insured**;
- (2) receipt or transmission of corrupting or harmful software code, including computer viruses, Trojan Horses, worms, spy-ware or malware;
- (3) threat or attempt to restrict or prevent access to any data or **Computer System**, whether successful or not;
- (4) unauthorized collection, control, disclosure, use, theft or loss of;
 - (a) **Nonpublic Personal Information**; or
 - (b) confidential information, including trade secrets, of a third party provided to the **Insured** and not available to the general public;
- (5) violation of the **Insured's** privacy policy or privacy statement; or
- (6) violation of any **Privacy Law**;

- **"Nonpublic Personal Information"** means any information of a natural person that is designated as private by a **Privacy Law**, protected by a **Privacy Law** or which can be used alone or in conjunction with other information to identify, including, without limitation, any protected healthcare information, personally identifiable financial information or payment card information.
- **"Notice Manager"** means the natural persons in the offices of the chief executive officer or chief financial officer, or any equivalent position to the foregoing, of the **Named Entity**.

- **"Outside Capacity"** means service by an **Insured Person** as a director, officer, trustee, regent, governor or equivalent executive of an **Outside Entity** with the knowledge and consent of or at the request of an **Insured Entity**.
- **"Outside Entity"** means any:
 - (1) not-for-profit corporation, community chest, fund or foundation that is exempt from federal income tax as an organization described in Section 501(c)(3), 501(c)(4), 501(c)(7), & 501(c)(10) of the Internal Revenue Code of 1986;
 - (2) entity organized for a religious or charitable purpose under any not-for-profit statute; or
 - (3) entity listed as an **Outside Entity** in a written endorsement issued by the Insurer to form a part of this Policy;
 provided that such organization or entity is not otherwise an **Insured Entity** under this Policy.
- **"Personal Asset Protection Costs"** shall mean the reasonable fees, costs and expenses consented to by the Insurer, such consent not to be unreasonably withheld, and incurred by the President, Chief Executive Officer, or Chief Financial Officer of an **Insured Entity** to oppose any efforts by an **Enforcement Entity** to seize or otherwise enjoin the personal assets or real property of such natural person, or to obtain the discharge or revocation of a court order entered on a covered **Insured Person Claim** made during the **Policy Period** in any way impairing the use thereof.
- **"Personal Injury"** means any actual or alleged false arrest, wrongful detention or imprisonment, malicious prosecution, wrongful entry or wrongful eviction.
- **"Privacy Law"** means any federal, state, provincial, territorial or local laws, governing the privacy, integrity, collection, control, use, disclosure, confidentiality or availability of any information (and any consent or release related thereto), including, without limitation, any common law or case law in any jurisdiction, worldwide.
- **"Publishers and Advertisers Injury"** means any actual or alleged libel, slander, defamation, plagiarism, misappropriation of ideas, infringement of copyright or trademark and unauthorized use of title and shall include actions carried out by any means including but not limited to electronic publishing, the internet, social networking or instant messaging.
- **"Whistleblowing"** means an **Insured Person's** lawful act of providing information, causing information to be provided, or otherwise assisting in an investigation regarding any conduct which the **Insured Person** reasonably believes constitutes a violation of any federal, state or foreign law.
- **"Wrongful Act"** means any actual or alleged:
 - (1) error, misstatement, misleading statement, act, omission, neglect, or breach of duty, committed by an **Insured Person** in their capacity as such or in their **Outside Capacity**, or, with regard to Insuring Agreement (C), an **Insured Entity**;
 - (2) matter claimed against an **Insured Person**, solely by reason of their serving in such capacity, including service in an **Outside Capacity**;
 - (3) **Publishers and Advertisers Injury** committed by an **Insured Person** in their capacity as such or in their **Outside Capacity**, or, with regard to Insuring Agreement (C) an **Insured Entity**; or
 - (4) **Personal Injury** committed by an **Insured Person** in their capacity as such or in their **Outside Capacity**, or, with regard to Insuring Agreement (C) an **Insured Entity**.

Wrongful Act also includes a **Legal Services Wrongful Act**, which is only covered if elected on the Declarations.

III. COVERAGE EXTENSIONS

(A) OUTSIDE DIRECTORSHIP LIABILITY

Subject to the terms, conditions and limitations of this Policy, coverage is afforded for **Loss** resulting from any **Insured Person Claim** against an **Insured Person** for a **Wrongful Act** in an **Outside Capacity**. Such coverage shall be specifically excess of any indemnity and insurance available from or provided by the **Outside Entity**. Payment by the Insurer or any **Affiliate** under any other insurance policy as a result of such **Claim** shall reduce, by the amount of such payment, the Insurer's Limit of Liability available under this Policy for such **Claim**.

(B) ADDITIONAL LIMIT OF LIABILITY FOR CLAIMS AGAINST MANAGERS

Subject to the terms, conditions and limitations of this Policy, an additional Limit of Liability set forth in ITEM 5 of the Declarations shall be available for **Loss** resulting from **Insured Person Claims** against **Managers**, provided that:

- (1) Such **Claims** are covered under Insuring Agreement (A); and
- (2) Such additional Limit of Liability shall be excess of all other insurance available to pay **Loss** for such **Claims**, including, without limitation, this Policy, any insurance written specifically as excess over this Policy and any insurance intended to provide coverage for non-indemnified **Insured Person Claims**, which such insurance must be exhausted prior to this additional Limit of Liability becoming available to pay **Loss**.

Such additional Limit of Liability shall be the maximum aggregate amount that the Insurer shall pay for all **Loss** from all **Claims** covered under this Extension.

IV. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS

The Insurer shall not pay **Loss**:

- (A) for any actual or alleged bodily injury, sickness, disease, emotional distress, mental anguish, or death of any person, or for any actual or alleged damage to or destruction of any tangible property, including loss of use or diminution of value thereof;
- (B) in connection with any **Claim** based upon, arising from, or in any way related to any prior or pending written demand, suit or proceeding against any **Insureds** as of the applicable Prior or Pending Date in ITEM 5 of the Declarations or the same or any substantially similar fact, circumstance or situation underlying or alleged in such demand, suit or proceeding;
- (C) in connection with any **Claim** based upon, arising from, or in any way related to any actual or alleged fact, circumstance, situation or **Wrongful Act** that, before the Inception Date in ITEM 3 of the Declarations, was the subject of any notice given under any other directors and officers, management liability, or similar insurance policy of which this **Liability Coverage Part** is a direct or indirect renewal or replacement if such notice is accepted under such other policy;
- (D) in connection with any **Claim** based upon, arising from, or in any way related to any:
 - (1) actual or alleged discharge, dispersal, release, or escape of **Pollutants**, nuclear material or nuclear waste 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**, nuclear material or nuclear waste;provided, however, that this exclusion shall not apply to **Loss** otherwise covered under Insuring Agreement (A).
- (E) in connection with any **Claim** based upon, arising from, or in any way related to any:
 - (1) claims for unpaid wages (including overtime pay), workers' compensation benefits, unemployment compensation, disability benefits or social security benefits;
 - (2) actual or alleged violation of the Equal Pay Act, Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, or any similar law; or
 - (3) any **Wage and Hour Violation**;
- (F) for any actual or alleged violation of **ERISA** or any similar law;

- (G) in connection with any **Claim** brought or maintained by, on behalf of, or for the benefit of an **Insured Entity**; provided, however, this exclusion shall not apply to the portion of **Loss** directly resulting from a civil proceeding by any bankruptcy trustee, examiner, receiver, liquidator, creditor(s) committee of the **Insured Entity** or rehabilitator (or any assignee thereof) after such bankruptcy trustee, examiner, receiver, liquidator or rehabilitator has been appointed;
- (H) of an **Insured Person** based upon, arising from, or in any way related to such **Insured Person's** service, at any time, as a director, officer, trustee, regent, governor or equivalent executive or as an employee of any entity other than an **Insured Entity** even if such service is at the direction or request of such **Insured Entity**, provided that this exclusion shall not apply to coverage afforded under sub-section III.(A) of this **Liability Coverage Part** for a **Claim** for a **Wrongful Act** by an **Insured Person** while serving in an **Outside Capacity**;
- (I) in connection with any **Claim** by or on behalf of any **Outside Entity** upon which an **Insured Person** is or was actually or allegedly serving in an **Outside Capacity**, or any past or present director, officer, trustee, regent, governor or equivalent executive of such **Outside Entity**;
- (J) in connection with any **Claim** based upon, arising from, or in any way related to any public listing or offering of securities of an **Insured Entity** or any **Outside Entity**, the purchase or sale of such securities subsequent to such public listing or offering, or any violation of the Securities Act of 1933 or any similar law relating to securities or the rights of security holders; provided that this exclusion shall not apply to that portion of **Loss** directly resulting from any **Claim** based upon, arising from, or in any way related to any offering, sale or purchase of bond debt;
- (K) of an **Insured**, based upon, arising from, or in any way related to any actual or alleged:
 - (1) gaining of any personal financial profit, remuneration or financial advantage to which such **Insured** is not legally entitled if a final, non-appealable adjudication in the underlying action establishes that such a gain did occur; or
 - (2) deliberately criminal or deliberately fraudulent act or omission or any willful violation of law by such **Insured** if a final, non-appealable adjudication in the underlying action establishes such an act, omission or violation;

However, with respect to this exclusion (K):

 - (a) the **Wrongful Act** of an **Insured** shall not be imputed to another **Insured**;
 - (b) this exclusion shall, nonetheless, apply to **Insured Entities** under **Insuring Agreement (C)**, if elected, only if a past or present chief executive officer, chief financial officer, general counsel or any position equivalent to the foregoing of the **Named Entity** committed such an act, omission or willful violation; and
 - (c) for any **Wrongful Act** treated as a criminal violation in a Foreign Jurisdiction that is not treated as a criminal violation in the United States of, the imposition of criminal fines or other criminal sanctions in America such Foreign Jurisdiction shall not, by itself, be conclusive that a deliberate fraudulent or intentional criminal act occurred.
- (L) in connection with any **Claim** based upon, arising from, or in any way related to any suspected, actual or alleged **Network Security or Privacy Event**, provided, however, that this exclusion shall not apply to **Loss** otherwise covered under **Insuring Agreement (A)**; or.
- (M) in connection with any **Claim** based upon, arising from, or in any way related to any actual or alleged employment-related **Wrongful Act** or any actual or alleged discrimination or harassment, including, without limitation, any sexual harassment, of any party; provided, however, this exclusion shall not apply to **Loss** otherwise covered under **Insuring Agreement (A)**.

V. EXCLUSIONS APPLICABLE TO INSURING AGREEMENT (C)

The Insurer shall not pay **Loss** under **Insuring Agreement (C)** in connection with any **Claim** based upon, arising from, or in any way related to any actual or alleged:

- (A) liability under any contract or agreement, provided that this exclusion shall not apply to the extent that liability would have been incurred in the absence of such contract or agreement. This exclusion does not apply to **Defense Costs**;
- (B) malfunction of any product, or failure of any product to perform in any manner as a result of any deficiency, inadequacy, unfitness, defect or dangerous condition in any product or in its design or manufacture;
- (C) rendering of, or failure to render, any services for or on behalf of others for a fee, including, without limitation, services performed by or on behalf of the Insureds for or on behalf of a customer or client; or
- (D) inadequate payment in connection with the purchase or sale of any securities, assets or entity, including, without limitation, any amount that represents, or is substantially equivalent, to an increase in the amount of the purchase price or consideration paid or proposed to be paid in connection with the purchase or sale of any securities, assets or entity; provided, however, that this exclusion shall not apply to the portion of **Loss** representing **Defense Costs** incurred to defend such allegations.

VI. ORDER OF LOSS PAYMENTS

- (A) If **Loss** is incurred that is acknowledged by the Insurer to be covered under this **Liability Coverage Part**, except that such **Loss** exceeds the remaining available applicable Limit of Liability for this **Liability Coverage Part**, the Insurer shall first pay **Loss** covered under Insuring Agreement (A)(1) prior to paying **Loss** under any other Insuring Agreements.
- (B) If **Loss** is incurred that is acknowledged by the Insurer to be covered under any Insuring Agreement other than Insuring Agreement (A)(1), the **Named Entity** shall have the right to direct the Insurer to delay payment of such **Loss** until such time as the **Named Entity** specifies. Any such direction by the **Named Entity** to delay or make payment of **Loss** shall be by written notice to the Insurer. Any such delayed payment of **Loss** shall be available to the Insurer to pay **Loss** covered under Insuring Agreement (A)(1). Any payment of **Loss** under Insuring Agreement (A)(1) out of funds withheld by the Insurer pursuant to this provision shall terminate the Insurer's liability to make a delayed payment of **Loss** under any Insuring Agreement other than (A)(1) by the amount of the payment under Insuring Agreement (A)(1). No interest shall be due regarding any delayed payment of **Loss**. Nothing in this provision shall increase the Insurer's applicable Limit of Liability.

VII. RETENTION WAIVER

No Retention shall apply to **Defense Costs** incurred in connection with a **Claim**, and the Insurer shall reimburse the **Insureds** for any covered **Defense Costs** paid by the **Insureds** within the Retention otherwise applicable to such **Claim**, if it is established in either a final adjudication with prejudice pursuant to a trial, motion to dismiss or motion for summary judgment, or a complete and final settlement with prejudice, that none of the **Insureds** in such **Claim** are liable for any **Loss**.

VIII. NOTICE

(A) NOTICE OF CLAIM:

(1) Condition Precedent

As a condition precedent to coverage under this **Liability Coverage Part**, the **Insureds** shall give the Insurer written notice of any **Claim** as soon as practicable after a **Notice Manager** becomes aware of such **Claim**, but in no event later than:

- (a) if this **Liability Coverage Part** expires or is otherwise terminated without being renewed with the Insurer, ninety (90) days after the effective date of said expiration or termination; or
- (b) the expiration of the Extended Reporting Period, if applicable.

(2) Elective Notice

Notwithstanding sub-section VIII.(A)(1), and solely with respect to any **D&O Inquiry Claim** first made during the **Policy Period**, the **Insured** may elect to either:

1. withhold written notice of such **D&O Inquiry Claim** from the Insurer, subject, however, to the terms, conditions and limitations of sub-section VIII.(A)(1) in the event an **Insured Person Claim** or **Entity Claim** for a **Wrongful Act** by the **Insureds** arises during the **Policy Period** from such **D&O Inquiry Claim**; or
2. give the Insurer written notice of such **D&O Inquiry Claim** as soon as practicable after a **Notice Manager** becomes aware thereof, but in no event later than the termination of the **Policy Period**.

The Insurer shall not treat the **Insured's** election to withhold notice in the manner stated in sub-section VIII.(A)(2)(a) as a failure to report a **Claim** under this **Liability Coverage Part**; provided, however, that with respect to any **D&O Inquiry Claims** first made prior to the **Policy Period** for which the **Insured** withheld notice under a policy of insurance issued by the Insurer or an **Affiliate** of which this Policy is a direct renewal or replacement, the **Insured** may only give the Insurer written notice of a subsequent **Insured Person Claim** under Insuring Agreements (A)(1) or (B)(1), or an **Entity Claim** under Insuring Agreement (C), arising from such **D&O Inquiry Claim**, made against the **Insureds** during the **Policy Period**. Such subsequent **Claim** must be reported in accordance with sub-section VIII.(A)(1), above.

(3) Impact of Non-Payment

Notwithstanding sub-sections VIII.(A)(1) and (2), above, if this Policy is cancelled for non-payment of premium, the **Insured** shall give to the Insurer written notice of any **Claim** prior to the effective date of cancellation.

(B) Notice of Potential Claim:

If, during the **Policy Period**, the **Insureds** become aware of a **Wrongful Act** that may reasonably be expected to give rise to a **Claim**, and if written notice of such **Wrongful Act** is given to the Insurer during the **Policy Period**, including the reasons for anticipating such a **Claim**, the nature and date of the **Wrongful Act**, the identity of the **Insureds** allegedly involved, the alleged injuries or damages sustained, the names of potential claimants, and the manner in which the **Insureds** first became aware of the **Wrongful Act**, then any **Claim** subsequently made which arises from such **Wrongful Act** shall be deemed to be a **Claim** first made during the **Policy Period**, and therefore subject to the terms, conditions and limitations of this Policy, including, without limitation, Section VII. of the Common Terms, Conditions and Limitations and the reporting requirements set forth in Section VIII.(A) above, on the date that the Insurer receives the above notice.

(C) QUI Tam;

If, during the **Policy Period**, the **Insureds** first become aware of a **Wrongful Act** by an **Insured** in connection with a qui tam complaint filed under seal pursuant to Section 3730 of The False Claims Act (31 U.S.C. § 3730) that was first made public during the **Policy Period**, and previously unbeknownst to any **Insured** other than the **Whistleblower** who filed such complaint, then any **Claim** subsequently made that arises therefrom shall be deemed to be a **Claim** first made during this **Policy Period** and therefore subject to the terms, conditions and limitations of this Policy, including, without limitation, Section VII. of the Common Terms, Conditions and Limitations and the reporting requirements set forth in Section VIII.(A) above; provided, however, that such complaint was not the subject of any notice given under any other insurance policy for which this Policy is a renewal or replacement.

PRIVATE CHOICE PREFERREDSM POLICY

EMPLOYMENT PRACTICES LIABILITY COVERAGE PART

I. INSURING AGREEMENTS

(A) Employment Practices Liability

The Insurer shall pay **Loss** on behalf of an **Insured** resulting from an **Employment Practices Claim** first made against an **Insured** during the **Policy Period** or Extended Reporting Period, if applicable, for an **Employment Practices Wrongful Act** by an **Insured**.

(B) Third Party Liability (ELECTIVE)

The Insurer shall pay **Loss** on behalf of an **Insured** resulting from a **Third Party Claim** first made against an **Insured** during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Third Party Wrongful Act** by an **Insured**, subject to the Third Party Liability Sub-Limit of Liability stated in ITEM 5 of the Declarations, if applicable.

II. DEFINITIONS

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

- **"Benefits"** means perquisites, fringe benefits, deferred compensation, severance pay, coverage premiums or contributions for any employee benefit plan or any other payment to or for the benefit of an employee arising out of the employment relationship (other than salaries, wages, cash or stock as a component of a front or back pay award).
- **"Claim"** means any:
 - (1) **Employment Practices Claim**; or
 - (2) **Third Party Claim**.
- **"Employee Data Privacy Wrongful Act"** means any actual or alleged:
 - (1) failure to prevent any unauthorized access to or use of data containing **Private Employment Information** of any **Employee** or applicant for employment with the **Insured Entity** including any such failure that directly results in a violation with respect to the privacy of such **Employee's** or applicant's medical information under the Health Insurance Portability and Accountability Act or credit information under the Fair Credit Reporting Act; or
 - (2) failure to notify any **Employee** or applicant for employment with the **Insured Entity** of any actual or potential unauthorized access to or use of **Private Employment Information** of any **Employee** or applicant for employment with the **Insured Entity**, if such notice was required by state or federal regulation or statute.
- **"Employment Practices Claim"** means any of the following if made by or on behalf of an **Employee, Independent Contractor** or an applicant for employment with an **Insured Entity**:
 - (1) written demand against an **Insured** for monetary damages or for other non-monetary (including injunctive or other equitable) relief commenced by the **Insured's** receipt of such demand, including:
 - (a) a written demand to toll or waive the running of the statute of limitations;
 - (b) a written demand to engage in arbitration, mediation or any other alternative dispute resolution; and
 - (c) a written demand for employment reinstatement;

- (2) civil proceeding, for civil monetary damages or other civil non-monetary (including injunctive or other equitable) relief, against an **Insured**, commenced by the **Insured's** receipt of service of a complaint or similar pleading;
- (3) formal administrative or regulatory proceeding against an **Insured**, including, without limitation, a proceeding before the Equal Employment Opportunity Commission or similar governmental agency, commenced:
 - (a) by the **Insured's** receipt of service of a complaint or similar pleading, a filed notice of charges, formal investigative order or similar document, or, with respect to a foreign proceeding, any similar document; or
 - (b) by the **Insured's** having evidence of a filing related thereto; or
- (4) criminal proceeding against an **Insured**, commenced when an **Insured** is made the subject of an indictment that has been returned by a grand jury or has been served with an accusation, information, complaint, summons or similar charging document filed in a criminal court.

Employment Practices Claim also means a notice of violation, order to show cause, or a written demand for monetary or for other non-monetary (including injunctive or other equitable) relief that is the result of an audit conducted by the U.S. Office of Federal Contract Compliance Programs, commenced by an **Insured's** receipt of such order, written notice or demand.

Employment Practices Claim shall not include any labor or grievance proceeding or arbitration that is subject to a collective bargaining agreement.

- **“Employment Practices Wrongful Act”** means any actual or alleged:

- (1) wrongful dismissal, discharge, or termination of employment (including constructive dismissal, discharge, or termination), wrongful failure or refusal to employ or promote, wrongful work reassignment, wrongful discipline or demotion, failure to grant tenure, negligent employment evaluation, or wrongful deprivation of career opportunity;
- (2) sexual harassment or any other workplace harassment (including bullying in the workplace, quid pro quo and hostile work environment) that interferes with performance or creates an abusive, intimidating, hostile or offense working environment;
- (3) employment discrimination, including discrimination based upon age, gender, race, color, national origin, religion, creed, marital status, sexual orientation or preference, gender identity or expression, genetic makeup, or refusal to submit to genetic makeup testing, pregnancy, disability, HIV or other health status, political affiliation, military status, or another protected status established under federal, state, or local law, including, without limitation, any such discrimination as a result of disparate treatment;
- (4) **Retaliation**;
- (5) breach of any oral, written, or implied employment contract, including, without limitation, an obligation arising from a personnel manual, employee handbook, or equivalent statement of policy;
- (6) employment-related defamation (including libel and slander) or misrepresentation;
- (7) employment-related violation of the Age Discrimination in Employment Act, the Family and Medical Leave Act and the Equal Pay Act; or
- (8) violation of the Uniformed Services Employment and Reemployment Rights Act.

Employment Practices Wrongful Act includes any of the foregoing set forth in sub-paragraphs (1) – (8), above, which occurs via social media or social networks.

Employment Practices Wrongful Act also means the following, but only when alleged in addition to or as part of any **Employment Practices Wrongful Act** described above:

- (a) an employment-related wrongful infliction of mental anguish, humiliation or emotional distress;

- (b) the negligent retention, supervision, hiring or training of **Employees** or **Independent Contractors**;
 - (c) employment-related false arrest or imprisonment;
 - (d) an employment-related invasion of privacy, including, without limitation, an **Employee Data Privacy Wrongful Act**; or
 - (e) the breach of an **Independent Contractor Agreement**, subject to Section III.(A)(6).
- “**Insured Person**” means any:
 - (1) **Employee**;
 - (2) **Manager**; or
 - (3) **Independent Contractor** but only:
 - (a) while acting on behalf of an **Insured Entity**; and
 - (b) if and to extent that the **Insured Entity** agrees to indemnify such **Independent Contractor** in the same manner as the **Insured Entity’s Employees** for liability for **Loss**.
 - “**Insureds**” means any **Insured Entity** or **Insured Person**.
 - “**Loss**” means the following amounts that the **Insureds** are legally liable to pay solely as a result of a **Claim** covered by this **Liability Coverage Part**:
 - (1) compensatory damages and costs awarded pursuant to judgments, including, without limitation:
 - (a) front pay and back pay award;
 - (b) pre- and post-judgment interest; and
 - (c) any **Training Costs**, subject to the Training Costs Sub-Limit of Liability specified in ITEM 5 of the Declarations;
 - (2) settlement amounts;
 - (3) the plaintiffs’ attorneys’ fees awarded by a court to prevailing plaintiffs’ counsel pursuant to a covered judgment against an **Insured** or as an express written part of a covered settlement amount;
 - (4) punitive damages, exemplary damages or the multiple portion of any multiplied damage award;
 - (5) liquidated damages under the Age Discrimination in Employment Act, the Family and Medical Leave Act and the Equal Pay Act; and
 - (6) **Defense Costs** incurred in connection with the foregoing.
- Loss** shall not include
- (a) taxes, fines or penalties;
 - (b) **Benefits** and **Stock Benefits**;
 - (c) any amounts (other than **Training Costs**) incurred to comply with any order for non-monetary (including injunctive or other equitable) relief, any agreement to provide such relief or any regulatory or administrative directive, including, without limitation, any amounts (other than **Training Costs**) incurred to provide any accommodations required by the Americans with Disabilities Act or any similar law;

- (d) future compensation for any person hired, promoted, or reinstated pursuant to a judgment, settlement, order or other resolution of a **Claim**; or
- (e) any amounts uninsurable pursuant to any applicable law; provided, however, the insurability of punitive damages, exemplary damages or the multiple portion of any multiplied damage award shall be determined by any applicable jurisdiction that most favors coverage of such damages, including, without limitation, the jurisdiction in which the **Insured**, Insurer or such **Claim** is located.
- **“Notice Manager”** means the natural persons in the offices of the chief executive officer, executive director, chief financial officer, human resources manager or any equivalent position to the foregoing, of an **Insured Entity**.
- **“Private Employment Information”** means any information regarding an **Employee** or applicant for employment with the **Insured Entity**, which is collected or stored by an **Insured** for the purposes of establishing, maintaining or terminating an employment relationship.
- **“Retaliation”** means adverse treatment of an **Employee** or **Independent Contractor** based upon any **Employee** or **Independent Contractor**:
 - (1) exercising any rights under law, including, without limitation, rights under any workers compensation laws, the Family and Medical Leave Act, **ERISA** or the Americans with Disabilities Act;
 - (2) opposing an unlawful practice or refusing to violate any law;
 - (3) assisting, testifying, or cooperating with a proceeding or investigation regarding alleged violations of law by any **Insured**, including cooperation with internal human resource or legal department investigations;
 - (4) disclosing or threatening to disclose alleged violations of law to a superior or to any governmental agency; or
 - (5) filing any “whistle blower” claim against any **Insured** under the federal False Claims Act, Section 806 of the Sarbanes-Oxley Act of 2002, or any similar whistleblower law.
- **“Stock Benefits”** means any offering, plan or agreement between an **Insured Entity** and any **Employee** that grants stock, stock options or stock appreciation rights in the **Insured Entity** to such person, including, without limitation, restricted stock or any other stock grant.
- **“Third Party”** means any natural person other than a past, present or prospective **Employee**, **Independent Contractor** or an applicant for employment with an **Insured Entity**.
- **“Third Party Claim”** means any of the following if made by or on behalf of a **Third Party**:
 - (1) written demand against an **Insured** for monetary damages or for other non-monetary (including injunctive or other equitable) relief commenced by the **Insured’s** receipt of such demand, including:
 - (a) a written demand to toll or waive the running of the statute of limitations; and
 - (b) a written demand to engage in arbitration, mediation or any other alternative dispute resolution;
 - (2) civil proceeding, for civil monetary damages or other civil non-monetary (including injunctive or other equitable) relief, against an **Insured**, commenced by the **Insured’s** receipt of service of a complaint or similar pleading; or
 - (3) formal administrative or regulatory proceeding against an **Insured**, commenced by the **Insured’s** receipt of service of a complaint or similar pleading, a filed notice of charges, formal investigative order or similar document, or, with respect to a foreign proceeding, any similar document.
- **“Third Party Wrongful Act”** means any actual or alleged:

- (1) discrimination against a **Third Party** based upon age, gender, race, color, national origin, religion, creed, marital status, sexual orientation or preference, pregnancy, disability, HIV or other health status, political affiliation, military status, or other protected status established under federal, state or local law; or
- (2) sexual harassment or other harassment of a **Third Party**, including unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature;

provided, however, that such **Third Party Wrongful Act** is actually or allegedly committed by an **Insured** while acting in their capacity as such.

- “**Training Costs**” means the reasonable costs of training and education for sensitivity, anti-harassment, minority development or diversity programs but only when required under the terms of a settlement, judgment or consent decree; provided, however, that such training and education is commenced and completed within twelve (12) months of the date of said settlement, judgment or consent decree.
- “**Wrongful Act**” means any:
 - (1) **Employment Practices Wrongful Act**; or
 - (2) **Third Party Wrongful Act**.

III. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS

(A) The Insurer shall not pay **Loss**:

- (1) for any actual or alleged bodily injury, sickness, disease, death, false arrest or imprisonment, abuse of process, malicious prosecution, trespass, nuisance or wrongful entry or eviction, or for actual or alleged injury to or destruction of any tangible property including loss of use or diminution of value thereof; provided, however, that this exclusion shall not apply to that portion of **Loss** that directly results from:
 - (a) employment-related mental anguish, humiliation, emotional distress, false arrest or imprisonment when alleged in connection with an otherwise covered **Employment Practices Wrongful Act**; and
 - (b) mental anguish, humiliation or emotional distress alleged in an otherwise covered **Third Party Claim**;
- (2) for any **Wrongful Act** by **Insured Persons** of any **Subsidiary** in their capacities as such, or by any **Subsidiary**, if such **Wrongful Act** actually or allegedly occurred when such entity was not a **Subsidiary**;
- (3) in connection with any **Claim** based upon, arising from, or in any way related to any:
 - (a) prior or pending written demand, suit, or proceeding against any **Insured** as of, or
 - (b) audit initiated by the U.S. Office of Federal Contract Compliance Programs before,

the applicable Prior or Pending Date in ITEM 5 of the Declarations, or the same or substantially similar fact, circumstance, or situation underlying or alleged in such demand, suit, proceeding, or audit;
- (4) in connection with any **Claim** based upon, arising from, or in any way related to any actual or alleged fact, circumstance, or situation that, before the inception date in ITEM 3 of the Declarations, was the subject of any notice given under any other employment practices liability policy, management liability policy or other insurance policy which insures **Wrongful Acts** covered under this Policy if such notice is accepted under such policy;
- (5) in connection with any **Claim** based upon, arising from, or in any way related to any actual or alleged liability of others assumed by an **Insured** under any contract or agreement; provided, however, this exclusion shall not apply to liability that would have attached in the absence of such contract or agreement;

(6) for any actual or alleged breach of any **Independent Contractor Agreement**; provided, however, that this exclusion will not apply to liability that would have attached in the absence of such contract nor shall it apply to that portion of **Loss** representing **Defense Costs** incurred to defend against such liability; or

(7) for a lockout, strike, picket line, hiring of replacement workers or similar action in connection with any labor dispute, labor negotiation or collective bargaining agreement.

(B) The Insurer shall not pay **Loss** in connection with any **Claim** based upon, arising from, or in any way related to:

(1) any claims for unpaid wages (including overtime pay), workers' compensation benefits, unemployment compensation, disability benefits or social security benefits;

(2) any actual or alleged violation of the Worker Adjustment and Retraining Notification Act, the National Labor Relations Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, **ERISA** or any similar law; or

(3) any **Wage and Hour Violation**

Provided, however, that this exclusion (B) shall not apply to that portion of **Loss** that represents:

(a) a specific amount the **Insureds** become legally obligated to pay solely for a **Wrongful Act of Retaliation** or discrimination; or

(b) **Defense Costs** incurred to defend a **Wage and Hour Violation** referenced in sub-paragraph (3), above, subject to the Wage and Hour Defense Costs Sub-Limit of Liability set forth in ITEM 5 of the Declarations, subject to the following:

(i) section XI. (B) of the Common Terms, Conditions and Limitations notwithstanding, 100% of the **Insured's Defense Costs** covered pursuant to this sub-paragraph (b) shall be allocated to covered **Loss** until the Wage and Hour Defense Costs Sub-Limit is exhausted. Once the Wage and Hour Defense Costs Sub-Limit is exhausted, allocation shall continue in accordance with section XI. (B) of the Common Terms, Conditions and Limitations; and

(ii) the Wage and Hour Defense Costs Sub-Limit of Liability is available notwithstanding the fact that a **Wage and Hour Violation** is not an **Employment Practices Wrongful Act**.

(C) The Insurer shall not pay **Loss** in connection with any **Claim** based upon, arising from, or in any way related to any actual or alleged liability incurred for breach of any oral, written, or implied employment contract, including, without limitation, an obligation arising from a personnel manual, employee handbook, or equivalent statement of policy; provided, however, that this exclusion shall not apply to liability that would have been incurred in the absence of such contract nor shall it apply to the portion of **Loss** representing **Defense Costs** incurred to defend against such liability.

IV. EXCLUSIONS APPLICABLE TO INSURING AGREEMENT (B)

The Insurer shall not pay **Loss** in connection with any **Third Party Claim** based upon, arising from or in any way related to any actual or alleged price discrimination or violation of any anti-trust law or any similar law designed to protect competition or prevent unfair trade practices.

V. OTHER INSURANCE

(A) The coverage provided under this **Liability Coverage Part** for any **Employment Practices Claim** shall be primary.

(B) Notwithstanding the above, the coverage provided under this **Liability Coverage Part** for any **Employment Practices Claim** made against a temporary, leased or loaned **Employee** or an **Independent Contractor** shall be excess of the amount of any deductible, retention and limits of liability under any other valid and collectible policy or policies applicable to such **Claim**, 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 or

- (i) covered by any valid and collectible: (a) insurance policy for employment practices liability for which any **Insured** is provided coverage on a codefendant basis; or (b) privacy, network security or cyber liability insurance policy, and
- (ii) **Third Party Claims** shall be excess of and shall not contribute with any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this Coverage Part), regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

VI. COORDINATION OF COVERAGE

If this **Liability Coverage Part** and either the Directors, Officers and Entity Liability Coverage Part or Fiduciary Liability Coverage Part are included under this Policy, and a **Claim** is covered under this **Liability Coverage Part** and any such other **Liability Coverage Part**, **Loss** shall be first covered and paid under this **Liability Coverage Part**.

If notice of a **Claim** has been given under either the Directors, Officers and Entity Liability Coverage Part or Fiduciary Liability Coverage Part and a determination is made by the Insurer that such **Claim** would be covered under this **Liability Coverage Part** if notice had been given under this **Liability Coverage Part**, then the **Insureds** shall be deemed to have given notice of such **Claim** under this **Liability Coverage Part** at the same time that notice was given under such other **Liability Coverage Part**.

VII. RETENTION WAIVER

Regarding a **Claim** that is a class action civil proceeding, no Retention shall apply to **Defense Costs** incurred in connection with such **Claim**, and the Insurer shall reimburse the **Insureds** for any covered **Defense Costs** paid by the **Insureds** within the Retention otherwise applicable to such **Claim**, if a:

- (A) final adjudication with prejudice pursuant to a trial, motion to dismiss or motion for summary judgment establishes that none of the **Insureds** in such **Claim** are liable for any **Loss**; or
- (B) complete and final settlement with prejudice establishes that none of the **Insureds** in such **Claim** are liable for any **Loss**.

VIII. NOTICE

(A) Notice of Claim

As a condition precedent to coverage under this **Liability Coverage Part**, the **Insureds** shall give the Insurer written notice of any **Claim** as soon as practicable after a **Notice Manager** becomes aware of such **Claim**, but in no event later than:

- (1) if this **Liability Coverage Part** expires or is otherwise terminated without being renewed with the Insurer, ninety (90) days after the effective date of said expiration or termination; or
- (2) the expiration of the Extended Reporting Period, if applicable;

provided, however, that if the Policy is cancelled for nonpayment of premium, the **Insured** will give to the Insurer written notice of such **Claim**, prior to the effective date of cancellation.

(B) EEOC Notice:

However, with regard to any **Employment Practices Claim** which is brought as a formal administrative or regulatory proceeding, including, without limitation, a proceeding before the Equal Employment Opportunity Commission or similar governmental agency, commenced by the filing of a notice of charge, formal investigative order or similar document, as a condition precedent to coverage under this **Liability Coverage Part**, the **Insureds** shall give the

Insurer written notice of any **Claim** as soon as practicable after a **Notice Manager** becomes aware of such **Claim**, but in no event later than:

- (1) if this **Liability Coverage Part** expires or is otherwise terminated without being renewed with the Insurer, ninety (90) days after the effective date of said expiration or termination;
- (2) three hundred sixty-five (365) days after the renewal date, if this Policy is renewed with the Insurer; or
- (3) the expiration of the Extended Reporting Period, if applicable;

provided, if this Policy is cancelled for nonpayment of premium, the **Insured** will give to the Insurer written notice of such **Claim**, prior to the effective date of cancellation.

(C) Notice of Potential Claim:

If, during the **Policy Period**, the **Insureds** become aware of a **Wrongful Act** that may reasonably be expected to give rise to a **Claim**, and if written notice of such **Wrongful Act** is given to the Insurer during the **Policy Period**, including the reasons for anticipating such a **Claim**, the nature and date of the **Wrongful Act**, the identity of the **Insureds** allegedly involved, the alleged injuries or damages sustained, the names of potential claimants, and the manner in which the **Insureds** first became aware of the **Wrongful Act**, then any **Claim** subsequently made which arises from such **Wrongful Act** shall be deemed to be a **Claim** first made during the **Policy Period**, and therefore subject to the terms, conditions and limitations of this Policy, including, without limitation, Section VII. Of the Common Terms, Conditions and Limitations and the reporting requirements set forth in Section VI.(A) and (B), above, on the date that the Insurer receives the above notice.

SPECIMEN

This endorsement, effective 12:01 am, 07/30/2025
of policy number 22 KM 0795165-25

forms part

issued to: SOUTHERN CONFERENCE OF NATIONAL COUNCIL OF ARCHITECTURE REGISTRATION
BOARDS
by: HARTFORD FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACCEPTANCE OF OTHER CARRIER'S APPLICATION

PRIVATE CHOICE PREFERREDSM POLICY

It is agreed that in granting coverage under this Policy, the Insurer has relied upon the declarations and statements contained in the below referenced application(s) (including materials submitted thereto) as being true, accurate and complete. It is further agreed that the **Insureds** represent to the Insurer that the declarations and statements made in such application: (i) were true, accurate and complete on the date of such original application; and (ii) are true, accurate and complete as of the later of Inception Date of this Policy or the date on which the coverage under this Policy was bound by the Insurer. All such declarations and statements shall be deemed to be material to the risk assumed by the Insurer, are the basis of this Policy and are to be considered as incorporated into this Policy.

TYPE OF POLICY APPLICATION
(check all the apply)

NAME

DATE SIGNED

- | | |
|--|------------------|
| <input checked="" type="checkbox"/> Directors & Officers | <u>Travelers</u> |
| <input checked="" type="checkbox"/> Entity Liability (Included in D&O Coverage Part Limit) | <u>Travelers</u> |
| <input checked="" type="checkbox"/> Employment Practices Liability | <u>Travelers</u> |
| <input type="checkbox"/> 3rd Party Liability (Included in EPL Coverage Part Limit) | |
| <input type="checkbox"/> Fiduciary Liability | |
| <input type="checkbox"/> Crime | |
| <input type="checkbox"/> Kidnap & Ransom/Extortion | |

It is further agreed that if the above described declarations and statements are not true, accurate and complete, any **Claim** arising from any matter not accurately or completely disclosed shall be excluded from coverage.

All other terms and conditions remain unchanged.



A. Morris Tooker, President

This endorsement, effective 12:01 am, 07/30/2025
of policy number 22 KM 0795165-25

forms part

issued to: SOUTHERN CONFERENCE OF NATIONAL COUNCIL OF ARCHITECTURE REGISTRATION
BOARDS
by: HARTFORD FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CRISIS MANAGEMENT EXPENSE COVERAGE
(NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREFERREDSM POLICY

The **NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART** is amended as follows:

- I. Section **II. DEFINITIONS**, is amended by the addition of the following:
- **“Crisis Management Event”** means a:
 - **Fraudulent Fundraising Event**;
 - **Regulatory Event**; or
 - **Senior Management Event**.
 - **“Crisis Management Expenses”** means any reasonable fees and expenses incurred by an **Insured**, with the Insurer’s prior written consent, for public relations services to mitigate reputational damage resulting from any covered **Crisis Management Event**.
 - **“Fraudulent Fund Raising Event”** means a non-**Insured** illegally soliciting donations in the name of **Insured Entity**.
 - **“Regulatory Event”** means the public announcement of the commencement of an investigation of or litigation against the **Insured Entity** by a governmental or regulatory agency or body.
 - **“Senior Management Event”** means the criminal indictment, death or incapacity of any **Insured Person** on whom the **Insured Entity** maintains key man life insurance.
- II. Section **III. COVERAGE EXTENSIONS**, is amended by the addition of the following:
- (C) CRISIS MANAGEMENT EXPENSE COVERAGE**

The Insurer shall pay **Crisis Management Expenses** resulting from a **Crisis Management Event** occurring during the **Policy Period** and reported within sixty (60) days of occurrence. This extension is subject to an aggregate limit of \$250,000, which is a part of and not in addition to the Aggregate Limit of Liability set forth in the Declarations applicable to this **Liability Coverage Part**.

All other terms and conditions remain unchanged.



A. Morris Tooker, President

This endorsement, effective 12:01 am, 07/30/2025
of policy number 22 KM 0795165-25

forms part

issued to: SOUTHERN CONFERENCE OF NATIONAL COUNCIL OF ARCHITECTURE REGISTRATION
BOARDS
by: HARTFORD FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TRADE AND PROFESSIONAL ASSOCIATION AMENDATORY ENDORSEMENT
(NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREFERREDSM POLICY

The **NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART** is amended in the following manner:

I. Section **II. DEFINITIONS**, the definition of **"Wrongful Act"**, is amended by the addition of the following:

Wrongful Act also expressly includes the sponsorship or endorsement of a member benefit program or any actual or alleged violation of the Sherman Act, the Clayton Act or any similar federal or state statute, committed by an **Insured Person** in their capacity as such, or in their **Outside Capacity**, or, with regard to Insuring Agreement (C), an **Insured Entity**.

II. Section **IV. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS** is amended by the addition of the following:

- in connection with any **Claim** based upon, arising from, or in any way related to the sale or administration by any **Insured** of any insurance product, policy, trust, or program.

All other terms and conditions remain unchanged.



A. Morris Tooker, President

This endorsement, effective 12:01 am, 07/30/2025
of policy number 22 KM 0795165-25

forms part

issued to: SOUTHERN CONFERENCE OF NATIONAL COUNCIL OF ARCHITECTURE REGISTRATION
BOARDS
by: HARTFORD FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WORKPLACE VIOLENCE COVERAGE ENDORSEMENT
(EMPLOYMENT PRACTICES LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREFERREDSM POLICY

EMPLOYMENT PRACTICES LIABILITY COVERAGE PART is amended as follows:

I. Section **I. INSURING AGREEMENTS** is amended by the addition of the following:

(C) WORKPLACE VIOLENCE (ELECTIVE)

The **Insurer** will pay on behalf of the **Insured Entity** any **Workplace Violence Expenses** resulting from a **Workplace Violence Action** occurring during the **Policy Period** and reported to the Insurer as soon as practicable after a **Notice Manager** becomes aware of the **Workplace Violence Action**, but in no event later than ninety (90) days after the termination of the **Policy Period**. The Insurer's maximum aggregate liability for all such **Workplace Violence Expenses** shall be the Sub-Limit of Liability shown in Item 5 of the Declarations. No Retention shall apply to the coverage provided under this Endorsement.

II. Solely for the purpose of the coverage provided by this endorsement, Section **II. DEFINITIONS** is amended by the addition of the following:

- **"Business Interruption Expenses"** means the amount calculated as set forth below for a period of time commencing the day the **Workplace Violence Action** occurs and ending on the earlier of ninety (90) days following such date or the date that the **Insured Entity** restores operations, with due diligence and dispatch, to the level that existed prior to the **Workplace Violence Action**:

(1) The sum of:

- (a) net profits before income taxes that would have been earned had no **Workplace Violence Action** occurred;
- (b) the actual costs of continuing the activities which are necessary for such **Insured Entity** to resume operations with substantially the same quality of service which existed immediately preceding the **Workplace Violence Action**; and
- (c) reasonable expenses which would not have been incurred except for such **Workplace Violence Action** and which were incurred by such **Insured Entity** for the sole purpose of reducing **Business Interruption Expenses** described in 1(a) or 1(b), not to exceed the amount of actual reduction of such **Business Interruption Expenses**.

(2) Less the sum of:

- (a) all recoveries, other insurance, suretyship and other indemnity which cover **Business Interruption Expenses**; and

(b) the amount by which the **Insured Entity** reasonably could have, but failed to, reduce **Business Interruption Expenses**.

- “**Employee Expenses**” means the reasonable fees and expenses for, or cost of:
 - (1) the salary or wages, for up to ninety (90) days following the date of the **Workplace Violence Action** occurs, that an **Insured Entity** pays **Individual Insureds** victimized by the **Workplace Violence Action** and unable to continue to work because of such **Workplace Violence Action**. The **Individual Insured's** salary or wages in effect at the time of the **Workplace Violence Action** shall apply;
 - (2) the salary or wages, for up to ninety (90) days following the date of the **Workplace Violence Action** occurs, that an **Insured Entity** pays a newly hired person(s) or temporary employee(s) to work because of such **Workplace Violence Action**; however such salary or wage shall not exceed the salary or wage of the relevant victimized **Individual Insured(s)** in effect at the time of the **Workplace Violence Action**;
 - (3) reasonable expenses for a counseling seminar for **Individual Insureds** conducted by an independent consultant within ninety (90) days following the **Workplace Violence Action**;
 - (4) reasonable expenses for the hiring of an independent security guard for up to thirty (30) days following the **Workplace Violence Action**; or
 - (5) reasonable expenses for the services of an independent security consultant for purposes of devising a security plan for an **Insured Entity**.
- “**Individual Insured**” means any:
 - (1) **Manager**;
 - (2) **Employee**; or
 - (3) Natural person visiting the **Premises** for a lawful purpose.
- “**Physical Injury**” means physical damage to a person’s body caused by an external source.
- “**Premises**” means any building, facility, or property occupied by an **Insured Entity** in conducting its operations.
- “**Public Relations Firm Expenses**” means the reasonable and necessary fees charged by an organization specializing primarily in maintaining or restoring the public image of businesses or non-profit organizations, where such organization is retained to aid in the restoration of the **Insured Entity's** public image.
- “**Workplace Violence Action**” means any actual or alleged intentional and unlawful use of deadly force with an intent to cause harm that occurs at the **Premises** that results in **Physical Injury**.
- “**Workplace Violence Expenses**” means:
 - (1) **Business Interruption Expenses**;
 - (2) **Employee Expenses**; and
 - (3) **Public Relation Firm Expenses**.

Workplace Violence Expenses shall not include any legal costs, attorneys fees, expenses, settlements, judgments, penalties or other amounts incurred as a result of any claim, suit or other legal proceeding brought against an **Insured** in connection with a **Workplace Violence Action**.

III. Solely for the purpose of the coverage provided by this endorsement, Section III. **EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS** is amended by the addition of the following:

Workplace Violence Exclusion

- The Insurer shall not pay any **Workplace Violence Expenses**:

- (1) based upon, arising from, or in any way related to war, invasion, insurrection, riot, rebellion, revolution, civil war, or military action; or
- (2) based upon, arising from, or in any way related to the use or threat of force or violence occurring for the purpose of demanding money, securities, or property.

All other terms and conditions remain unchanged.



A. Morris Tooker, President

SPECIMEN

This endorsement, effective 12:01 am, 07/30/2025
of policy number 22 KM 0795165-25

forms part

issued to: SOUTHERN CONFERENCE OF NATIONAL COUNCIL OF ARCHITECTURE REGISTRATION
BOARDS
by: HARTFORD FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH CAROLINA AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREFERREDSM POLICY

I. ITEM 7: Extended Reporting Period of the Declarations Page is deleted and replaced by the following:

ITEM 7: Extended Reporting Period (without reinstated limits):

(A) Duration: 1 Year

Premium*: \$100% of the annualized liability coverage parts premium

Without reinstated limits.

(B) Duration: 2 Years

Premium*: \$150% of the annualized liability coverage parts premium

With reinstated limits.

* Premium for the Extended Reporting Period elected shall be the indicated percentage of the sum of the annual premium specified for all **Liability Coverage Parts** plus the annualized amounts of any additional premiums charged during the **Policy Period**. The Extended Reporting Period is not available for the **Non-Liability Coverage Parts**.

II. COMMON TERMS, CONDITIONS AND LIMITATIONS, section **II. COMMON DEFINITIONS**, the definition of **“Application”** is deleted and replaced with the following:

- **“Application”** means the application for this Policy, including any (i) materials or information submitted therewith or made available to the Insurer during the underwriting process, or (ii) representation or other statement provided to the Insurer which application shall be on file with the Insurer. Such **Application** shall be deemed a part of this Policy and physically attached hereto.

III. COMMON TERMS, CONDITIONS AND LIMITATIONS, section **IX. EXTENDED REPORTING PERIOD** is amended as follows:

A. paragraph **F.** is deleted and replaced by the following:

- (F) There is no separate or additional Limit of Liability for the Extended Reporting Period; however, for an additional premium, upon termination of coverage, the Insurer will offer an Extended Reporting Period with a reinstated Limit of Liability. Regardless of the duration of the Extended Reporting Period, if the reinstated option is elected, the Limit of Liability shall only be reinstated one time in the amount equal to the Limit of Liability set forth in the Declarations.

B. The following is added:

- Within 45 days after the mailing for delivery of the written request of the **Insured**, the Insurer shall mail or deliver the following loss information covering a three-year period:
 - (1) Aggregate information on total closed **Claims**, including date and description of occurrence, and any paid losses;
 - (2) Aggregate information on total open **Claims**, including date and description of occurrence, and amounts of any payments;
 - (3) Information on notice of any occurrence, including date and description of occurrence.

IV. **COMMON TERMS, CONDITIONS AND LIMITATIONS**, section **XVI. APPLICATION**, paragraph **(A)** is deleted and replaced with the following:

(A) The **Insureds** represent that the statements, representations and information contained in the **Application** are true, accurate and complete. This Policy is issued in reliance upon the **Application**, which shall be construed as a separate Application for coverage by each Insured and shall be considered physically attached to the Policy.

V. **COMMON TERMS, CONDITIONS AND LIMITATIONS**, Section **XVII. ACTION AGAINST THE INSURER**, **(C)** is deleted and replaced with the following:

(C) Solely with respect to the **Kidnap And Ransom/Extortion Coverage Part**:

No suit, action or proceeding for recovery of any claim under this Policy shall be sustainable in any court of law, equity or other tribunal unless all the requirements of this Policy shall have been complied with and the same be commenced within thirty-six (36) months after a claim for actual loss or expenses has been reported to the Insurer by the **Insured**.

All other terms and conditions remain unchanged.



A. Morris Tooker, President

This endorsement, effective 12:01 am, 07/30/2025
of policy number 22 KM 0795165-25

issued to: SOUTHERN CONFERENCE OF NATIONAL COUNCIL OF
ARCHITECTURE REGISTRATION BOARDS

by: HARTFORD FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH CAROLINA CANCELLATION AND NONRENEWAL ENDORSEMENT

Wherever used in this endorsement: 1) "Insurer" means the insurance company which issued this policy; and 2) "Insured" means the Name of Insured, Name of Company, Name of Partnership, Parent Company, Name of Insured Plan or Trust, Name of Insured Entity, Named Entity, Named Real Estate Investment Trust(s), Name of Sponsor Company or Insured stated in ITEM A or ITEM 1 of the Declarations Page.

- I. The Cancellation provision of this Policy is deleted and replaced by the following:

NOTICE OF CANCELLATION

- A. The **Insured** may cancel this Policy by mailing or delivering to the **Insurer** advance written Notice of Cancellation.
- B. The **Insurer** may only cancel this Policy for nonpayment of premium by delivering or mailing a Notice of Cancellation to the **Insured**, at the last mailing address known to the **Insurer**, at least fifteen (15) days before the effective date of cancellation. The Notice of Cancellation will contain the reason for the cancellation.
- C. If this Policy shall be cancelled by the **Insured**, the **Insurer** shall retain the customary short rate proportion of the premium hereon, except as otherwise provided in this Policy. If the **Insurer** cancels this Policy, the **Insurer** shall retain the pro rata proportion of the premium hereon.

- II. The following provisions are added:

NOTICE OF NONRENEWAL

The **Insurer** may nonrenew this Policy by mailing or delivering a written Notice of Nonrenewal to the **Insured** at least forty-five (45) days prior to this Policy expiration date (or anniversary if this Policy has been written for a term of more than one (1) year). The Notice of Nonrenewal will state the reason for nonrenewal.

METHOD OF NOTIFICATION

All Notices of Cancellation or Nonrenewal must be mailed or delivered to the **Insured**, the agent or broker of record and any designated mortgagee or loss payee at their address shown in this Policy, or if not indicated in this Policy at their last known address. The Notice of Cancellation or Nonrenewal must state the reason for cancellation or nonrenewal. Proof of mailing is sufficient proof of notice. Failure to send the Notice of Cancellation or Nonrenewal to any designated mortgagee or loss payee invalidates the cancellation only as to the mortgagee's or loss payee's interest.

All other terms and conditions remain unchanged.



A. Morris Tooker, President



U.S. DEPARTMENT OF THE TREASURY, OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by the United States. **Please read this Notice carefully.**

The Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. OFAC acts under Presidential national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under U.S. jurisdiction. OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "Specially Designated Nationals and Blocked Persons" or "SDNs". Their assets are blocked and U.S. persons are generally prohibited from dealing with them. This list can be located on OFAC's web site at — <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is an SDN, as identified by OFAC, the policy is a blocked contract and all dealings with it must involve OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC.



Producer Compensation Notice

You can review and obtain information on The Hartford's producer compensation practices at www.thehartford.com or at 1-800-592-5717.

SPECIMEN



Wrap+®

Angela G Inman

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Email: AINMAN@travelers.com

June 24, 2025

Reeves Zaytoun

SENTINEL RISK ADVISORS

4700 SIX FORKS RD STE 200

RALEIGH, NC 27609

RE: Insured Name: SOUTHERN CONFERENCE OF NATIONAL COUNCIL OF ARCHITECTURE
REGISTRATION BOARDS
PO BOX 17332
RALEIGH, NC 27619-7332

Expiring Policy Number: N/A

Policy Period: July 30, 2025 to July 30, 2026

Dear Reeves Zaytoun:

On behalf of **Travelers Casualty and Surety Company of America** we are pleased to provide the attached proposal of insurance for your review.

The quotes contained in this document are valid for 30 days, and are subject to the provision of, and Travelers' review and acceptance of, the required underwriting information noted in the Contingencies section. Travelers reserves the right to change the quotes in this document, or to refuse to bind coverage entirely, based on review of the required underwriting information or based on adverse change in the risk(s) to be insured prior to the quote expiration date noted in this document.

Travelers is pleased to offer Risk Management PLUS+ Online®, the industry's most comprehensive program for mitigating your management liability exposures, which is available to you at no additional cost. Please visit www.rmplusonline.com to view the services that are available. If you have additional questions about the site please contact your Underwriter.

Travelers Casualty and Surety Company of America, a subsidiary of The Travelers Companies, Inc., has consistently earned high ratings for financial strength and claims-paying ability from independent rating services, including a current A.M. Best rating of A++*. Founded in 1853, The Travelers Companies, Inc. is a Fortune 500 company, a component of the Dow Jones Industrial Average, and a leading provider of property casualty insurance for businesses.

Thank you for considering Travelers for your client's insurance coverages. We look forward to discussing this opportunity with you.

Sincerely,

Angela G Inman

Travelers Bond & Specialty Insurance

*A.M. Best's rating of A++ applies to Travelers Casualty and Surety Company of America as well as to certain insurance subsidiaries of Travelers that are members of the Travelers Insurance Companies pool; other subsidiaries are included in another rating pool or are separately rated. For a listing of companies rated by A.M. Best and other rating services visit www.travelers.com. Ratings listed herein are as of July 2023, are used with permission, and are subject to changes by the rating services. For the latest rating, access www.ambest.com.

Travelers Casualty and Surety Company of America
QUOTE OPTION #1

LIABILITY COVERAGES:

Coverage	Limit	Additional Defense Limit	Retention	Continuity Date	Prior & Pending Proceeding Date
Non-Profit D&O	\$1,000,000	N/A	\$0 (A) \$5,000 (B) \$5,000 (C)	TBD	TBD
EPL	\$1,000,000	N/A	\$5,000 (A)	TBD	TBD
EPL - Third Party Claim Coverage (Part of EPL Limit)	\$1,000,000	N/A	\$5,000 (B)	TBD	TBD

CRIME COVERAGES:

Crime Insuring Agreements	Single Loss Limit of Insurance	Single Loss Retention	Crime Insuring Agreements	Single Loss Limit of Insurance	Single Loss Retention
A - Fidelity			F - Computer Crime		
1. Employee Theft	\$250,000	\$5,000	1. Computer Fraud	\$250,000	\$5,000
2. ERISA Fidelity	\$250,000	\$0	2. Computer Program and Electronic Data Restoration Expense	\$100,000	\$10,000
3. Employee Theft of Client Property	\$100,000	\$1,000			
B - Forgery or Alteration	\$250,000	\$5,000	G - Funds Transfer Fraud	\$250,000	\$5,000
C - On Premises	\$250,000	\$5,000	H - Personal Accounts Protection		
			1. Personal Accounts Forgery or Alteration	\$250,000	\$2,500
D - In Transit	\$250,000	\$5,000	2. Identity Fraud Expense Reimbursement	\$25,000	\$0
E - Money Orders and Counterfeit Money	\$250,000	\$5,000	I - Claim Expense	\$5,000	\$0

Insured's Premises Covered: Worldwide, except Not Applicable

TOTAL ANNUAL PREMIUM - \$2,609.00

(Other term options listed below, if available)

COVERAGE DETAILS:

Supplemental Personal Indemnification Coverage: \$500,000

for all Non-Profit Organization Directors and Officers Liability **Claims**

LIMIT DETAIL:

Shared Additional Defense Limit of Liability: N/A

Crime Policy Aggregate Limit of Insurance: N/A

EXTENDED REPORTING PERIOD AND RUN-OFF:

Extended Reporting Period for Liability Coverages:

Additional Premium Percentage: 75%

Additional Months: 12

Run-Off Extended Reporting Period for Liability Coverages:

Additional Premium Percentage: N/A

Additional Months: N/A

CLAIM DEFENSE FOR ASSOCIATION MANAGEMENT LIABILITY COVERAGE, LIABILITY COVERAGES AND/OR CYBER COVERAGE:

Duty to Defend

ANNUAL REINSTATEMENT:

Liability Coverage Limit of Liability:

N/A

PREMIUM DETAIL:

Term	Payment Type	Premium	Taxes	Surcharges	Total Premium	Total Term Premium
1 Year	Prepaid	\$2,609.00	\$0.00	\$0.00	\$2,609.00	\$2,609.00

POLICY FORMS APPLICABLE TO QUOTE OPTION # 1:

ACF-2001-0222	Modular Declarations Page
CRI-3001-0109	Crime Policy Form
EPL-3001-0109	Employment Practices Liability Policy
NDO-3001-0109	Non Profit Organization Directors and Officers Liability Policy

ENDORSEMENTS APPLICABLE TO QUOTE OPTION # 1:

ACF-7006-0511	Removal of Short-Rate Cancellation Endorsement
ACF-7007-0811	Cross-Coverage Notice Endorsement
AFE-19029-0719	Cap On Losses From Certified Acts Of Terrorism Endorsement
AFE-19030-0920	Federal Terrorism Risk Insurance Act Disclosure Endorsement
CRI-19060-0713	Replace General Agreement E - Change of Control - Notice Requirements Endorsement
CRI-19072-0315	Global Coverage Compliance Endorsement – Adding Financial Interest Coverage and Sanctions Condition and Amending Territory Condition
CRI-19085-0919	Social Engineering Fraud Insuring Agreement Endorsement
CRI-19101-1117	Amendatory Endorsement for Certain ERISA Considerations
CRI-19115-0519	Telecommunication Fraud Insuring Agreement Endorsement
CRI-19118-0719	Blanket Client And Service Broker / Amend Definition Of Employee / Amend Client Property Location Endorsement
CRI-19122-1120	Delete Exclusion For Prior Losses Involving Subsidiaries Endorsement
CRI-19132-0223	Replace Insuring Agreement F.2. Endorsement
CRI-4016-0810	North Carolina Changes Endorsement
CRI-5034-0613	North Carolina Cancellation or Termination Endorsement
EPL-10004-0111	Amend Prior and Pending Exclusion Endorsement
EPL-10008-0111	Insured Person Redefined to Include Indemnified Independent Contractor Endorsement
EPL-19007-0712	Section 510 of Erisa Endorsement
EPL-19020-0712	Employment-Related Disparagement and False Imprisonment Endorsement
EPL-19050-0316	Workplace Violence Expenses Endorsement
EPL-19057-0517	Amend Wrongful Employment Practice Definition Endorsement
EPL-19058-0517	Amend Wrongful Act Definition Endorsement
EPL-19059-0517	Amend Definition Of Employee Endorsement
EPL-19060-0517	Amend Definition Of Workplace Harassment Endorsement
EPL-19063-0319	Immigration Claims Endorsement
EPL-19071-0222	Amend Third-Party Wrongful Act Definition To Include Harassment Endorsement
EPL-7060-0109	Wage and Hour Law Defense Expenses Limit of Liability Endorsement
EPL-7110-0109	Outside Entity To Include Any Non-Profit Entity Endorsement
LIA-10001-0610	Settlement Condition Endorsement
D&O Private, D&O NP, PPL Check Box (Y/N)	Y
D&O NP Included (Y/N)	Y
EPL Check Box (Y/N)	Y
LIA-19002-1111	Advancement of the Retention Endorsement

<i>D&O Non Profit Included (Y/N)</i>	Y
LIA-19083-0114	Lender Liability Exclusion Endorsement
<i>D&O Non Profit Included (Y/N)</i>	Y
LIA-19097-0315	Global Coverage Compliance Endorsement
LIA-19109-0415	Amend Change of Control and Extended Reporting Period Conditions Endorsement
<i>EPL Included (Y/N)</i>	Y
<i>NDO Included (Y/N)</i>	Y
LIA-19137-0517	Automatic Coverage for All Formed Subsidiaries and Acquired Subsidiaries with Assets not Exceeding 35% Endorsement
<i>NDO Included (Y/N)</i>	Y
<i>EPL Included (Y/N)</i>	Y
LIA-3001-0109	Liability Coverage Terms and Conditions
LIA-4021-0214	North Carolina Changes Endorsement
LIA-5032-1107	North Carolina Cancellation and Nonrenewal Endorsement
LIA-7009-0109	Professional E&O Exclusion Endorsement
<i>D&O NP Included (Y/N)</i>	Y
LIA-7097-0109	Amend Number of Days for Electing Extended Reporting Period Endorsement
<i>D&O Private Included (Y/N)</i>	Y
<i>EPL Included (Y/N)</i>	Y
LIA-7115-0911	Amend Definition of Subsidiary Endorsement
<i>D&O NP Included (Y/N)</i>	Y
<i>EPL Included (Y/N)</i>	Y
LIA-7116-0109	Amend Insured's Duties In Event of a Claim Condition Endorsement -- Replace Executive Officer Designation
<i>D&O NP Included (Y/N)</i>	Y
<i>EPL Included (Y/N)</i>	Y
<i>Name or Title</i>	<i>CEO, CFO, HR Manager, Risk Manager, General Counsel or the functional equivalents thereof;</i>
LIA-7184-0109	Addition of Governmental Claims Exclusion Endorsement
NDO-19001-0512	Amend Definition of Outside Entity Endorsement
NDO-19005-0525	Extradition Coverage Endorsement
NDO-19006-1112	Bankruptcy And Whistleblower Carvebacks Endorsement
NDO-19009-0713	Amend Section III. Exclusions B. 1. Final Non-Appealable in Any Proceeding Other Than A Proceeding Initiated By The Company
NDO-19016-0517	Amend Definition of Insured Person to Include Advisory Board Members Endorsement
NDO-19017-0517	Amend Loss Definition To Include Coverage Carvebacks For Liquidated Damages Under The Family Medical Leave Act And Civil Penalties Under The Foreign Corrupt Practices Act Endorsement
NDO-19030-0122	Data And Privacy Exclusion With Side A Carveback Endorsement
NDO-7002-0109	Amend Contract Exclusion Endorsement
NDO-7017-0720	Crisis Event Management Coverage Endorsement
NDO-7019-0109	Supplemental Personal Indemnification Coverage Endorsement

CONTINGENCIES APPLICABLE TO QUOTE OPTION # 1:

This quote is contingent on the acceptable underwriting review of the following information prior to the quote expiration date.

None

QUOTE

NOTES:

NOTICES:

It is the agent's or broker's responsibility to comply with any applicable laws regarding disclosure to the policyholder of commission or other compensation we pay, if any, in connection with this policy or program.

Important Notice Regarding Compensation Disclosure

For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Agency Compensation, P.O. Box 2950, Hartford, CT 06104-2950.

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA"), establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). Act Of Terrorism is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The Federal Government's share of compensation for such Insured Losses is 80% of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA).

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

For each coverage provided by this policy that applies to such Insured Losses, the charge for such Insured Losses is no more than one percent of your premium, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA. Please note that no separate additional premium charge has been made for coverage for Insured Losses covered by TRIA. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium.

Coverage Disclaimer:

THIS QUOTE DOES NOT AMEND, OR OTHERWISE AFFECT, THE PROVISIONS OR COVERAGE OF ANY RESULTING INSURANCE POLICY ISSUED BY TRAVELERS. IT IS NOT A REPRESENTATION THAT COVERAGE DOES OR DOES NOT EXIST FOR ANY PARTICULAR CLAIM OR LOSS UNDER ANY SUCH POLICY. COVERAGE DEPENDS ON THE APPLICABLE PROVISIONS OF THE ACTUAL POLICY ISSUED, THE FACTS AND CIRCUMSTANCES INVOLVED IN THE CLAIM OR LOSS AND ANY APPLICABLE LAW.

THE PRECEDING OUTLINES THE COVERAGE FORMS, LIMITS OF INSURANCE, POLICY ENDORSEMENTS AND OTHER TERMS AND CONDITIONS PROVIDED IN THIS QUOTE. ANY POLICY COVERAGES, LIMITS OF INSURANCE, POLICY ENDORSEMENTS, COVERAGE SPECIFICATIONS, OR OTHER TERMS AND CONDITIONS THAT YOU HAVE REQUESTED THAT ARE NOT INCLUDED IN THIS QUOTE HAVE NOT BEEN AGREED TO BY TRAVELERS. PLEASE REVIEW THIS QUOTE CAREFULLY AND IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT YOUR TRAVELERS REPRESENTATIVE.

Affiliate (non-Subsidiary) Coverage Disclaimer:

Regardless of the submission of information or typical availability of coverage for any entity that is not a Subsidiary of the Named Insured, **such entity is not covered by the Policy unless an endorsement is provided that specifically schedules it.** Under the Wrap+® policy, coverage is generally afforded to the following entities (unless otherwise excluded): (1) the Named Insured and (2) its majority-owned Subsidiaries. A Subsidiary is defined in each coverage part of the Wrap+® policy and the definition can vary between coverage parts. An affiliate is not defined but generally has some ownership and/or management in common with the Named Insured or its Subsidiaries (but itself is not a Subsidiary of either one). Affiliate coverage will not be considered on a blanket basis nor will an individual entity be scheduled without proper underwriting information (please contact your underwriter to discuss specific requirements). For an actual description of coverages, terms and conditions, refer to the Policy. Sample policies can be found on the travelers.com website or contact your underwriter.