



THE INSURANCE OF TECH



Vouch Insurance Services, LLC
3739 Balboa St #1073
San Francisco CA 94121

vouch.us

STATE NATIONAL INSURANCE COMPANY, INC.

U.S. TREASURY DEPARTMENT'S 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 OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <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 a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to 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. Other limitations on the premiums and payments also apply.

STATE NATIONAL INSURANCE COMPANY, INC.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRADE OR ECONOMIC SANCTIONS

The following is added to this policy:

Trade Or Economic Sanctions

This insurance does not provide any coverage, and we (the Company) shall not make payment of any claim or provide any benefit hereunder, to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose us (the Company) to a violation of any applicable trade or economic sanctions, laws or regulations, including but not limited, to those administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC).

All other terms and conditions remain unchanged.



Directors & Officers Liability Policy

State National Insurance Company, Inc.

(a stock insurance company)

1900 L Don Dodson Dr.

Bedford, Texas 76021

(800) 877-4567

Policy Number: EXAMPLE POLICY DOCUMENT

DO NY-0001 01 20

Common Declarations – New York

NOTICE: THIS POLICY PROVIDES COVERAGE ONLY ON A CLAIMS MADE BASIS FOR "CLAIMS" FIRST MADE OR DEEMED FIRST MADE DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. NO COVERAGE IS PROVIDED FOR A "CLAIM" FIRST MADE AFTER THE "POLICY PERIOD" EXCEPT TO THE EXTENT AN EXTENDED REPORTING PERIOD APPLIES TO THAT "CLAIM". "DEFENSE COSTS" SHALL REDUCE AND MAY COMPLETELY EXHAUST (USE UP 100% OF) OF THE ANNUAL AGGREGATE LIMIT OF LIABILITY. IF "DEFENSE COSTS" EXHAUST THE ANNUAL AGGREGATE LIMIT OF LIABILITY SHOWN ON THE DECLARATIONS, THE "INSURANCE ORGANIZATION" SHALL NOT HAVE ANY FURTHER OBLIGATION FOR ANY "DEFENSE COSTS" OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT. IN ADDITION, "DEFENSE COSTS" SHALL BE APPLIED AGAINST THE DEDUCTIBLE.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE "INSURANCE ORGANIZATION" AGREES WITH THE "INSURED" TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

PLEASE READ THIS POLICY CAREFULLY.

The effective date of these Declarations begins at 12:01 a.m. on for the Coverage, Annual Aggregate Limit(s) Of Liability and Deductible(s) shown below. These Declarations supersede any previous Declarations.

Reason for new Declarations:

ITEM 1. INSURED ORGANIZATION

ITEM 2. POLICY PERIOD begins 07-20-2023 at 12:01 a.m. and expires at 12:01 a.m.

ITEM 3. COVERAGE

(A) Coverage Annual
Aggregate
Limit of Liability

(B) Coverage Is Part Of
Policy Annual Aggregate
Limit of Liability

(C) Per Claim Deductible

If "no coverage" is shown
opposite any coverage
below, that coverage is not
provided and is deleted
from this Policy.

Directors & Officers Liability

Individual	\$ 500,000	Yes	\$ 15,000
Reimbursement	\$ 500,000	Yes	\$ 15,000
Entity	\$ 500,000	Yes	\$ 15,000



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ITEM 4. POLICY ANNUAL AGGREGATE LIMIT OF LIABILITY \$500,000

ITEM 5. EXTENDED REPORTING PERIOD

Additional Annual Premium: %

Additional Period: Months

ITEM 6. ADDITIONAL INSURED

(A) Insureds Are Included In
This Policy

(B) Subject to Annual
Aggregate Sub-limit Of
Liability

(C) Annual Aggregate
Sub-limit Of Liability

Employees And Leased Employees

ITEM 7. PRIOR OR PENDING
LITIGATION

Date

Directors & Officers Liability

Individual

07-20-2023

Reimbursement

07-20-2023

Entity

07-20-2023

ITEM 8. ENHANCED COVERAGES

(A) Enhanced Coverage
Annual Aggregate Limit Of
Liability

(B) Part of Coverage Annual
Aggregate Limit Of Liability

(C) Per Claim
Deductible

Directors & Officers Liability

Outside Director Liability

\$ 500,000

Yes

\$ 15,000

ITEM 9. DIRECTOR OF OFFICER

(A) Enhanced Coverage
Annual Aggregate Limit Of
Liability

(B) Part of Coverage Annual
Aggregate Limit Of Liability

(C) Per Claim
Deductible

Directors & Officers Liability

Individual

Total Annual Premium

\$ 6,173



Directors & Officers Liability Policy

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(800) 877-4567

Policy Number: EXAMPLE POLICY DOCUMENT

DO NY-0001 01 20

For the purpose of notice provisions of this Policy shall be submitted to:

claims@vouch.us

Vouch Insurance Services, LLC
3739 Balboa St #1073
San Francisco, CA 94121 www.vouch.us
For claims assistance by telephone, call 1-877-533-1211

Provided, however, that notice given by or on behalf of the "insured," or by or on behalf of the injured person or any other claimant, to any licensed agent of the "insurance organization" in New York, with particulars sufficient to identify the "insured," shall be deemed notice to the "insurance organization."

The following forms along with these Declarations complete this Directors & Officers Liability Policy: See Forms Schedule

IN WITNESS WHEREOF, the Insurance Organization has caused this Policy to be signed by its President and Secretary, and countersigned, if required, by the Insurance Organization's duly authorized agent.

DATE: 2023-07-20

Authorized Signature

Authorized Representative of the Insurance Organization Named in these Declarations:

David Cleff, Secretary

Matthew Freeman, President

State National Insurance Company, Inc.



Directors & Officers Liability Policy

DO NY-0034 09 19

Forms Schedule – New York

Forms Applicable Per Policy		
Form Number	Form Title	Effective Date
SNC-IL-0719-OFAC-N	U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders	07-20-2023
SNC-IL-0719-TOES-E	Trade or Economic Sanctions	07-20-2023
DO NY-0001 01 20	Common Declarations - New York	07-20-2023
DO NY-0034 09 19	Forms List	07-20-2023
DO NY-0002 09 19	Common Terms And Conditions - New York	07-20-2023
DO NY-0003 06 20	Directors & Officers Liability Coverage - New York	07-20-2023
DO NY-0044 11 22	Biometric Privacy Claims Exclusion	07-20-2023
DO NY-0013 09 19	Prepayment Of Premium Endorsement	07-20-2023
DO NY-0015 09 19	Disclosure And Consent To Issue Endorsement	07-20-2023
DO NY-0018 09 19	Changes In Exposure Endorsement	07-20-2023
DO NY-0019 01 20	Severability Of Application Endorsement	07-20-2023
DO NY-0020 09 19	Severability Of Exclusions Endorsement	07-20-2023
DO NY-0022 04 20	Claims Reporting Endorsement	07-20-2023
DO NY-0028 09 19	Policyholder Disclosure Notice of Terrorism Insurance Coverage	07-20-2023
DO NY-0030 09 19	Policyholder Disclosure Notice of Terrorism Insurance Coverage (2)	07-20-2023
DO NY-0031 09 19	Deductibles and Limits Of Liability Endorsement	07-20-2023
DO NY-0038 09 19	Policyholder Disclosure Notice of Terrorism Insurance Coverage Endorsement	07-20-2023
DO NY-0032 09 19	Application For Directors & Officers Coverage	07-20-2023



Directors & Officer Liability Policy

DO NY-0002 09 19

NOTICE:

THIS "POLICY" PROVIDES COVERAGE ONLY ON A CLAIMS MADE BASIS FOR "CLAIMS" FIRST MADE OR DEEMED FIRST MADE DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. NO COVERAGE IS PROVIDED FOR A "CLAIM" FIRST MADE AFTER THE "POLICY PERIOD" EXCEPT TO THE EXTENT AN EXTENDED REPORTING PERIOD APPLIES TO THAT "CLAIM". "DEFENSE COSTS" SHALL REDUCE AND MAY COMPLETELY EXHAUST (USE UP 100% OF) OF THE ANNUAL AGGREGATE LIMIT OF LIABILITY. IF "DEFENSE COSTS" EXHAUST THE ANNUAL AGGREGATE LIMIT OF LIABILITY SHOWN ON THE DECLARATIONS, THE "INSURANCE ORGANIZATION" SHALL NOT HAVE ANY FURTHER OBLIGATION FOR ANY "DEFENSE COSTS" OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT. IN ADDITION, "DEFENSE COSTS" SHALL BE APPLIED AGAINST THE DEDUCTIBLE.

PLEASE READ THIS POLICY CAREFULLY.





Directors & Officer Liability Policy

DO NY-0002 09 19

Common Terms and Conditions – New York

Some provisions restrict coverage. Do not rely on the titles or captions used in this Policy. Read this entire Policy carefully to determine rights, duties and what is or is not covered. Words and phrases appearing in quotation marks in this Policy are defined in the Definitions section of this Policy.

All coverages in this Policy are subject to the Declarations and Common Terms and Conditions, except as modified in the Directors & Officers Liability Coverage or endorsement.

Coverage Extensions

Extended Reporting Periods

A. Automatic Extended Reporting Period

The Automatic Extended Reporting Period Coverage Extension is added to the Common Terms and Conditions as follows:

1. Following the "termination of coverage," a 60 day Automatic Extended Reporting Period shall be provided to the "insured organization" at no additional charge. However, the extended coverage provided shall only apply to "wrongful acts" occurring prior to the effective date of the "termination of coverage." Any "claim" first made during the Automatic Extended Reporting Period shall be deemed to have been made during the "policy period" immediately preceding the effective date of the "termination of coverage."
2. The Automatic Extended Reporting Period shall commence on the effective date of the "termination of coverage," and shall expire on the date and time that is 60 days thereafter.
3. Any limit of liability for the Automatic Extended Reporting Period shall be part of, and not in addition to, the applicable limit of liability for the "policy period" immediately preceding the "termination of coverage."

B. Optional Extended Reporting Period

1. Following the “termination of coverage,” the “insured organization” shall have the right, upon payment of any premium for the Policy which is owed and not yet paid and payment of the additional premium shown in Item 5. on the Declarations, to extend coverage granted by this Policy for an amount of time shown in Item 5. on the Declarations following the expiration date of the Automatic Extended Reporting Period. However, the extended coverage provided shall only apply to “wrongful acts” occurring prior to the effective date of the “termination of coverage.”
2. Within 30 days after the effective date of “termination of coverage,” the “insurance organization” shall notify the “insured organization” in writing of the Automatic Extended Reporting Period, and of the availability or, premium for, and importance of purchasing Optional Extended Reporting Period coverage. However, if “termination of coverage” is due to nonpayment of premium or fraud, the “insurance organization” shall not provide a premium quotation for Optional Extended Reporting Period coverage unless it is requested by the “insured organization.”
3. The “insured organization” shall have the greater of the following in which to submit written acceptance of Optional Extended Reporting Period coverage:
 - a. 60 days following the effective date of the “termination of coverage”; or
 - b. 30 days from the date the “insurance organization” mails or delivers to the “insured organization” the notice described in Paragraph B.2. above.
4. The Optional Extended Reporting Period shall not be available if the claims-made relationship has continued for less than 1 year and “termination of coverage” is for nonpayment of premium or fraud.
5. Any “claim” first made during the Optional Extended Reporting Period shall be deemed to have been made during the “policy period” immediately preceding the effective date of the “termination of coverage.”
6. The Optional Extended Reporting Period amount of time shown in Item 5. on the Declarations includes the 60 days Automatic Extended Reporting Period.
7. The “insured organization” may elect to purchase an Optional Extended Reporting Period as follows:

12 months for 75% of the expiring Policy’s annual premium
24 months for 150% of the expiring Policy’s annual premium
36 months for 200% of the expiring Policy’s annual premium
8. The Optional Extended Reporting Period Additional Annual Premium shown in Item 5. on the Declarations shall be determined in accordance with the “insurance organization’s” filed rates and rules in effect on the date the Policy was issued or last renewed. The “insurance organization” shall not charge a different premium for such coverage due to any change in its rates, rating plans or rating rules subsequent to issuance or last renewal of the Policy.
9. Where premium is due to the “insurance organization” for coverage during the claims-made relationship, any monies received by the “insurance organization” from the “insured organization” as payment for the Optional Extended Reporting Period coverage shall first be applied to such premium owing for the Policy.

10. If the Optional Extended Reporting Period is elected, all premium shall be deemed fully earned at the effective date of the "termination of coverage." Once in effect, the Optional Extended Reporting Period may not be canceled.
11. During a claims-made relationship and any Extended Reporting Period, a person employed or otherwise affiliated with the "insured organization" and covered by the "insured organization's" claims-made Policy during such affiliation, shall continue to be covered under such Policy and any Extended Reporting Period after such affiliation has ceased for such person's covered acts or omissions during such affiliation.
12. If this Policy is issued to a corporation, partnership or other entity, the "insurance organization" shall provide Optional Extended Reporting Period coverage upon "termination of coverage" to any person covered under this Policy, if:
 - a. Such entity has been placed in liquidation or bankruptcy or permanently ceases operations;
 - b. The entity or its designated trustee does not purchase the Optional Extended Reporting Period Coverage;
 - c. Such person requests the Optional Extended Reporting Period Coverage within 120 days of the effective date of "termination of coverage;" and
 - d. Such person pays the additional premium due for the coverage.
13. Upon "termination of coverage":
 - a. The aggregate limit of liability, if any, for the Optional Extended Reporting Period Coverage shall be at least equal to the amount of coverage remaining in the Policy's Annual Aggregate Limit Of Liability.
 - b. Where "termination of coverage" is due only to a decrease in the Policy's Annual Aggregate Limit Of Liability, the aggregate limit of liability, if any, for the Optional Extended Reporting Period Coverage shall be no greater than the amount of such decrease.

Estates And Legal Representatives

In the event an "insured person" is deceased, incompetent, insolvent or bankrupt, "insured person" shall also include estates, heirs, legal representatives or assigns of an "insured person."

Spouse Liability

The "insurance organization" shall pay for "loss" that a present or former spouse, regardless of the sex of the spouse, of an "insured person" is legally obligated to pay as a result of any "claim" first made during the "policy period" against such spouse that is:

- a. Based upon an alleged "wrongful act" by the "insured person" for which coverage is provided to the "insured person" under this Policy; and
- b. Based solely upon their status as a spouse.

The Spouse Liability Coverage Extension does not apply to the extent that the "claim" alleges any "wrongful act" committed or attempted by the "insured person's" spouse.

Supplementary Payment

The “insurance organization” shall pay post-judgment interest that the “insureds” are legally obligated to pay as a result of a “claim.” Payment of post judgment interest will not reduce the Limits Of Liability. The obligation of the “insurance organization” to make this supplementary payment for post-judgment interest ends when the applicable Limits Of Liability have been exhausted.

Definitions

Application

“Application” means all materials submitted for this Policy or for any policy that this is a renewal or replacement. “Application” also includes any financial statements, annual reports, proxies, bylaws or any description of corporate governance and business practices that are made available by the “insured organization” or publicly available through any regulatory body or the “insured organization’s” website, prior to the start of the “policy period.” All such materials are deemed attached to and incorporated into this Policy.

Claim

“Claim” means any of the following, for any “wrongful act,” including any appeal therefrom:

- a. A written demand to any “insured” for monetary damages;
- b. A civil proceeding for monetary damages brought against any “director or officer” commenced by the service of a complaint or similar pleading;
- c. Solely with respect to a “wrongful management liability act,” a criminal proceeding against any “director or officer” commenced by the return of an indictment or information;
- d. A written request to participate in an arbitration, mediation or other alternative dispute resolution proceeding if an “insured” is obligated to participate in such proceeding or if an “insured” agrees to participate in such proceeding, with the “insurance organization’s” written consent; or
- e. A written request to any “insured” to toll or waive a statute of limitations.

Defense Costs

“Defense costs” means reasonable attorneys’ fees, experts’ fees, arbitrators’ fees or mediators’ fees and expenses, to which the “insurance organization” has consented and that are incurred after notice is provided in compliance with the Claims Reporting Condition and, as a direct result of defending a “claim,” including any appeals and the premium for any attachment, appeal or other similar bonds.

Provided, however, “defense costs” does not include:

- a. Wage, salary, benefit or overhead expenses of an “insured”;
- b. Any attorneys’ fees, disbursements, costs or expenses incurred in connection with an affirmative claim by or on behalf of an “insured” including counterclaims, cross-claims or third-party claims, except for claims for contribution or indemnity asserted with the “insurance organization’s” consent against persons or parties not insured under this Policy; or
- c. Amounts that are incurred in connection with providing any collateral that may be required for obtaining any appeal bond, or other similar bond or any obligation to provide such collateral.

Director Or Officer

"Director or officer" means:

- a. Any natural person who was, is now or becomes in the future a duly elected or appointed officer, director, member of the board of managers, or management committee of the "insured organization";
- b. With respect to a "subsidiary" incorporated or chartered outside the United States of America, any natural person who was, is now or becomes in the future in a position that is the functional equivalent of any duly elected or appointed officer or director of that "subsidiary"; or
- c. With respect to any "insured organization" that is a non-profit entity, any natural person who was, is now or becomes in the future a duly elected or appointed officer, director, member of the audit committee, member of the supervisory committee, or trustee.

Employee

"Employee" means any natural person, other than a "director or officer," "leased employee," "volunteer" or "independent contractor," whether their employment status is full-time, part-time, temporary or seasonal, who:

- a. Has provided, is providing, or seeks to provide in the future labor or service within the scope of the performance of their assigned duties at the direction of the "insured organization" in the conduct of its business; and
- b. Has been, is being, or seeks to be paid a regular wage or salary by the "insured organization" or by an employment service or sponsor who provides such persons to the "insured organization."

Environment

"Environment" means any:

- a. Person;
- b. Man-made object or feature;
- c. Animals, crops or vegetation; or
- d. Land, bodies of water, underground water or water table supplies, air and any other feature of the earth or its atmosphere, whether or not altered, developed or cultivated and whether or not owned, controlled or occupied by an "insured."

Independent Contractor

"Independent contractor" means any natural person, other than an "employee," "director or officer," "leased employee" or "volunteer" who renders service to the "insured organization" in the course of independent employment pursuant to a contract for specified services; provided that any:

- a. Coverage afforded under this Policy for such natural person only applies to the extent that the "insured organization" agrees to indemnify such natural person; and
- b. Such coverage shall be specifically excess of any other indemnity and insurance otherwise available to such natural person or any entity that such natural person is affiliated.

Insurance Organization

"Insurance organization" means the carrier identified in the Declarations.

Insured

"Insured" means:

- a. The "insured organization";
- b. "Insured persons"; or
- c. Other "insured" if listed as an "insured" in an endorsement to this Policy.

Insured Organization

"Insured organization" means any entity shown in Item 1. on the Declarations and its "subsidiaries."

Insured Persons

"Insured persons" means:

- a. A "director or officer";
- b. "Volunteer"; and
- c. Only to the extent coverage is granted for the Additional Insureds as shown in Item 6. (A) on the Declarations, "employees" and "leased employees".

Interrelated Wrongful Acts

"Interrelated wrongful acts" means all "wrongful acts" that have a common fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

Leased Employee

"Leased employee" means any natural person, other than an "employee," "director or officer," "volunteer" or "independent contractor," who is leased to the "insured organization" to perform work and for whom the "insured organization" directs or guides the work performed; provided that any:

- a. Coverage afforded under this Policy for such "leased employee" only applies to the extent that the "insured organization" agrees to indemnify such "leased employee"; and
- b. Such coverage shall be specifically excess of any other valid and collectible insurance otherwise available to the "leased employee" from or provided by the entity that such "leased employee" is leased.

Loss

"Loss" means "defense costs" incurred in defending "claims" seeking the amounts in paragraphs a., b. and c. below and the following amounts that the "insureds" are legally obligated to pay as the result of a "claim":

- a. Compensatory damages awarded in judgments;
- b. Amounts paid in settlements entered into with the consent of the “insurance organization” as provided in the Defense And Settlements Condition; or
- c. Pre-judgment interest.

“Loss” does not mean or include any of the following:

- a. Civil or criminal fines, penalties, sanctions, injunctive relief, orders of forfeiture, or restitution and disgorgement;
- b. Taxes;
- c. Punitive or exemplary damages, or any other amounts an “insured” is liable to pay that are uninsurable under applicable law;
- d. Property or the value of any property that the “insured organization” is required to deliver or return to one having superior rights to the property;
- e. Amounts an “insured” disburses or credits as a loan, lease or as any other extension of credit, whether voluntarily or as required by law, statute, regulation or court order;
- f. The amount of any funds that an “insured” returns or refunds to one from whom or that the “insured organization” collected the funds wrongfully or in error, or that a bankruptcy court finds to be a preferential transfer; or
- g. Amounts representing a reduction, modification or forgiveness of amounts owed (including the timing of amounts owed) for a loan, lease or extension of credit, whether voluntarily or required by law, statute, regulatory body, regulation or court order.

Outside Entity

“Outside entity” means any:

- a. Non-profit entity described in 26 U.S.C. § 501(c)(3), § 501(c)(4) or § 501(c)(10) of the Internal Revenue Code of 1986 (IRC), as amended, and not included in the definition of “insured organization”; or
- b. Other entity, if specifically granted by endorsement to this Policy,

whereby an “insured person” is a board member or other equivalent of the entity at the direction or request of the “insured organization.”

Policy Period

“Policy period” means the period of time shown in Item 2. on the Declarations.

Pollutants

“Pollutants” means solid, liquid, gaseous or thermal irritants or contaminants, smoke, vapor, soot, fume, acid, alkali, chemicals and waste. Waste includes any material to be disposed of, recycled, reconditioned or reclaimed.

Subsidiary

"Subsidiary" means any:

- a. Entity in which more than 50% of the outstanding voting securities or voting rights representing the present right to vote for election of directors is owned, directly or indirectly, in any combination, by the "insured organization";
- b. Non-profit entity in which the right to elect or otherwise appoint more than 50% of such entity's directors or trustees is owned, or controlled, directly or indirectly, in any combination, by the "insured organization";
- c. Limited liability company in which the right to elect or otherwise appoint or designate more than 50% of such limited liability company's managers is owned or controlled, directly or indirectly, in any combination, by the "insured organization";
- d. Joint venture in which the right to elect or otherwise appoint more than 50% of such entity's directors, trustees or other equivalent executives is owned or controlled, directly or indirectly, in any combination, by the "insured organization"; or
- e. Other entity if listed as a "subsidiary" in an endorsement to this Policy.

Termination Of Coverage

"Termination of coverage" means, whether made by the "insurance organization" or the "insured organization" at any time:

- a. Nonrenewal or cancellation of this Policy;
- b. Decrease in limits;
- c. Reduction of coverage;
- d. Increased deductible;
- e. New exclusion; or
- f. Any other change in coverage less favorable to the "insured organization."

Volunteer

"Volunteer" means any natural person, other than an "employee," "director or officer," "leased employee" or "independent contractor," who was or is:

- a. Serving on the committees of the "insured organization" at the appointment of the Board of Directors of the "insured organization"; or
- b. Performing services without compensation solely in the conduct of the "insured organization's" business.

Wrongful Act

"Wrongful act" means:

- a. "Wrongful management liability act," but only to the extent Management Liability Coverage is granted as shown in Item 3. (A) on the Declarations; or

- b. “Wrongful outside director liability act,” but only to the extent Outside Director Liability Coverage is granted as shown in Item 8. (A) on the Declarations.

Wrongful Employment Practices Liability Act

“Wrongful employment practices liability act” means any actual or alleged:

- a. Violation of any state, federal, or provincial law, anywhere in the world, prohibiting discrimination against employees;
- b. Wrongful dismissal, discharge or termination (including constructive discharge) of employment;
- c. Sexual or workplace harassment;
- d. Violation of employment laws;
- e. Negligent evaluation or training;
- f. Wrongful, unfair or excessive discipline;
- g. Retaliation;
- h. Failure to provide adequate workplace, employment policies or procedures;
- i. Failure to promote, train, grant variable pay, or grant tenure;
- j. Breach of an employment contract, whether actual, implied, written or oral;
- k. Misrepresentation or misstatement;
- l. Negligent supervision or hiring of others;
- m. Failure to employ;
- n. Libel, slander, defamation of character, publication of material in violation of a person’s right of privacy;
- o. Infliction of emotional distress, mental anguish or humiliation;
- p. Negligent retention; or
- q. Hostile work environment,

brought by or on behalf of and related to current, past, future or prospective employment of any natural person by the “insured organization.”

Wrongful Fiduciary Liability Act

“Wrongful fiduciary liability act” means any actual or alleged:

- a. Breach of the responsibilities, obligations or duties imposed upon any “insured” in its capacity as a fiduciary of any plan or by the common or statutory law of the United States of America or any other jurisdiction anywhere in the world;

- b. Matter claimed against the “insured organization” or any “insured person” solely because of their service as a fiduciary of any plan; or
- c. Negligent act, error or omission by an “insured” based on any of the following with respect to any plan:
 - 1) Interpreting or applying;
 - 2) Giving counsel to “employees,” “directors or officers,” “leased employees” or “independent contractors,” other than legal counsel; or
 - 3) Handling of records in effecting enrollment, calculating, terminating or canceling; or
- d. A negligent act, error or omission by an “insured” in:
 - 1) Interpreting or applying; or
 - 2) Giving counsel to “employees,” “directors or officers,” “leased employees” or “independent contractors,” other than legal counsel,

concerning workers’ compensation, unemployment insurance, Old-Age, Survivors And Disability Insurance (OASDI) (42 U.S.C. § 301, et seq.).

Wrongful Management Liability Act

“Wrongful management liability act” means any actual or alleged:

- a. Error, misstatement, misleading statement, act, omission, neglect, or breach of duty actually or allegedly committed or attempted by any “insured” in their capacity as such; or
- b. Matter claimed against an “insured person” solely by reason of his or her serving in such capacity.

Provided, however, “wrongful management liability act” does not include any conduct actually or allegedly committed or attempted by any “insured person” in their capacity as a director, officer, trustee, governor, member of the board of managers, or any equivalent position, or employee of any entity other than the “insured organization,” even if service in such capacity is with the knowledge and consent of, at the direction or request of, or part of the duties regularly assigned to the “insured person” by the “insured organization.”

Wrongful Outside Director Liability Act

“Wrongful outside director liability act” means:

- a. Error, misstatement, misleading statement, act, omission, neglect, or breach of duty actually or allegedly committed or attempted by any “insured” in their capacity as a board member of an “outside entity”; or
- b. Matter claimed against an “insured person” solely by reason of his or her serving an “outside entity.”

Exclusions

With respect to any coverage provided in this Policy, the “insurance organization” shall not be liable to make any payment:

Dishonest Acts

For “loss” related to any “claim” based upon, arising out of, attributable to, or resulting directly or indirectly from any deliberately dishonest, fraudulent, willful misconduct or act, or any willful violation of any law, statute or regulation, by any “insured,” but only if a final adjudication establishes that such misconduct, act or violation was committed by the “insured.”

Insured Versus Insured

For “loss” related to any “claim” brought or maintained by or on behalf of any “insured” in any capacity, except a “claim”:

- a. That is a derivative action brought or maintained on behalf of the “insured organization” by one or more persons who are not “insured persons” and who bring and maintain such “claim” without the instigation, solicitation, assistance or active participation of any “insured person”;
- b. Brought or maintained by any natural person who was a “director or officer,” but who has not served as a “director or officer” for at least 4 years preceding the date the “claim” is first made, and who brings and maintains the “claim” without the instigation, solicitation, assistance or active participation of any “director or officer” who is serving as a “director or officer” or was serving as a “director or officer” within such 4-year period;
- c. Brought or maintained by any “insured person” for contribution or indemnity for a “wrongful act”;
- d. Brought by a bankruptcy trustee or examiner of the “insured organization,” or any assignee of such bankruptcy trustee, examiner, receiver, conservator, rehabilitator, or liquidator or comparable authority of the “insured organization”; or
- e. Brought by an “employee” pursuant to any federal or state whistleblower protection statute or any rule or regulation promulgated thereunder.

Intentional Acts

For “loss” related to any “claim” based upon, arising out of, attributable to, or resulting directly or indirectly from any intentional acts by any “insured,” ; however, this exclusion will not apply to any “claim” for vicarious liability or disparate impact.

Nuclear

For “loss” related to any “claim” based upon, arising out of, attributable to, resulting directly or indirectly from actual, threatened or alleged nuclear reaction, nuclear radiation or radioactive contamination.

Provided, however, this exclusion shall not apply to Individual Coverage in the Directors & Officers Liability Coverage for a “wrongful management liability act”.

Outside Entity

For “loss” related to any “claim” based upon, arising out of, attributable to, resulting directly or indirectly from any act, error, omission, neglect or breach of duty by an “insured person” while serving as an employee, director or volunteer of, or in any other capacity for, any entity other than the “insured organization” regardless of whether such service was undertaken, or such act, error, omission, neglect or breach of duty was committed, at the request or direction of the “insured organization” or any other person or entity.

Pollution

For “loss” related to any “claim” based upon, arising out of, attributable to, resulting directly or indirectly from actual, threatened or alleged:

- a. Pollution or contamination of any “environment” by “pollutants” or seepage of “pollutants”;
- b. Discharge, dispersal, release or escape of “pollutants”;
- c. Costs, or other “loss” or damage arising out of pollution or contamination or seepage including, but not limited to cleaning up, remedying, testing, monitoring, containing, treating, detoxifying, and neutralizing such pollution or contamination, seepage, or “pollutants,” whether occasioned by governmental direction, request, demand or order, or otherwise; or
- d. Costs, or other “loss” or damages, arising from the investigation or defense of any lawsuit, administrative or criminal proceedings or other action or proceedings related to any of the above.

Prior Coverage

For the portion of “loss” related to amounts for which an “insured” is entitled to any coverage under any insurance policy for which this Policy is a direct or indirect renewal or replacement.

Privacy And Security

For “loss” related to any “claim” based upon, arising out of, attributable to, resulting directly or indirectly from unauthorized access of “personal information,” including any resulting violation of a person’s right to privacy.

Provided, however, this exclusion shall not apply to any “director or officer.”

Recovery By Bonding Company

For “loss” related to any “claim” based upon, arising out of, attributable to or resulting directly or indirectly from the assertion of subrogation or recovery rights by or on behalf of any fidelity bonding company or fidelity insurer.

Remuneration

For “loss” related to any “claim” based upon, arising out of, attributable to, resulting directly or indirectly from any “insured” gaining any profit, unjust enrichment, remuneration or advantage that such “insured” was not legally entitled but only if a final adjudication establishes that the “insured” was not legally entitled to such profit, enrichment, remuneration or advantage.

Violations Of Law

For any “wrongful acts” that are in violation of any statute, ordinance or regulation of any federal, state or local government, including any amendment of or addition to such laws, other than those for which this Policy expressly provides coverage.

Conditions

Changes In Exposure

1. Acquisition Or Creation Of Another Organization

If before or during the “policy period” the “insured organization” acquires an interest in another organization:

- a. Or creates another organization, that as a result of such acquisition or creation becomes a “subsidiary”; or
- b. By merger or consolidation, such that the “insured organization” is the surviving entity,

then such other organization, including their equivalent “insured persons”, shall become an “insured” under this Policy, but only with respect to “wrongful acts” occurring subsequent to such acquisition, creation, merger or consolidation.

If the total assets of any such acquired, created, merged or consolidated “subsidiary” exceed 35% of the total assets of the “insured organization, respectively (as reflected in each of the most recent annual consolidated financial statements or similar written confirmation of total assets), the “insured organization” shall give written notice of such acquisition, creation, merger or consolidation to the “insurance organization” and, any additional information requested by the “insurance organization,” as soon as practicable, but in no event later than 60 days after the date of such acquisition, creation, merger or consolidation. The “insured organization” shall also provide any requested additional premium required by the “insurance organization” within 30 days of request for such additional premium. If the “insured organization” fails to provide written notice to the “insurance organization” of such acquisition, creation, merger or consolidation of or into such organization, or any additional information requested by the “insurance organization” or, fails to pay the required additional premium, then coverage for such organizations shall cease as of the date of such acquisition, creation, merger or consolidation.

2. Acquisition Of Insured Organization By Another Organization

If during the “policy period”:

- a. The “insured organization” merges into, consolidates with, or is acquired by another organization so that the “insured organization” is not the surviving entity; or
- b. Another organization, group of organizations, person or persons acting collectively acquires, directly or indirectly, in any combination:
 - 1) More than 50% of the outstanding voting securities representing the present right to vote for election of directors of the “insured organization”;
 - 2) And only if the “insured organization” is a non-profit entity, the right to elect or otherwise appoint more than 50% of the “insured organization’s” directors or trustees; or
 - 3) And only if the “insured organization” is a limited liability company, the right to elect or otherwise appoint or designate more than 50% of the “insured organization’s” managers; or
- c. The “insured organization” ceases to actively engage in its primary business,

then coverage shall continue until the end of the “policy period,” but only with respect to “claims” for “wrongful acts” occurring before any transaction or event described in paragraphs a., b., or c. above. The premium shall be deemed fully earned at inception upon completion of any

transaction or event described in paragraphs a., b., or c. above.

3. Cessation Of A Subsidiary

If before or during the “policy period” an organization ceases to be a “subsidiary,” then coverage with respect to such “subsidiary,” including their equivalent “insured persons”, shall continue until the end of the “policy period,” but only in connection with “claims” for “wrongful acts” occurring while such organization was a “subsidiary.”

Bankruptcy

The bankruptcy or insolvency of the “insured” or the “insured’s” estate shall not relieve the “insurance organization” of any obligation under this Policy.

Claims Reporting

For the purposes of this Policy, all “claims,” including any “claims” made during any applicable Extended Reporting Period, arising out of the same “wrongful act” and all “interrelated wrongful acts” of the “insureds,” injured person or any other claimant shall be deemed one “claim,” and such “claim” shall be deemed to be first made against the “insureds” on the date the earliest of such “claims” is first made against them, regardless of whether such date is before or during the “policy period.”

As a condition precedent to the right to receive the benefit of any coverage provided by this Policy, the “insureds” must give written notice to the “insurance organization” of any “claim” as soon as practicable, but in no event later than:

- a. 60 days from the expiration of the “policy period”; or
- b. If the Extended Reporting Period for this Policy is elected, the expiration of the Extended Reporting Period; or
- c. If this Policy is renewed, the expiration of that subsequent renewal.

Notice of claim will occur upon knowledge of claim possessed by the:

- a. Chairperson;
- b. Titled Officer;
- c. Branch Manager;
- d. In-house counsel;
- e. Human Resource Manager, or

any equivalent position.

Failure to give any notice required to be given within the time prescribed shall not invalidate any “claim” made by the “insured,” an injured person or any other claimant, unless the failure to provide timely notice has prejudiced the “insurance organization.” However, no “claim” made by the “insured,” injured person or other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

As a condition precedent to the right to receive the benefit of any coverage provided by this Policy, the “insureds” must provide the following information as part of the notice of “claim”:

- a. The name of the claimant;
- b. The names of the “insureds” whose “wrongful acts” are involved in the “claim”;
- c. The date of the alleged “wrongful acts”; and
- d. A copy of any written demand, summons, complaint, lawsuit or legal notice comprising or giving notice of the “claim.”

As a condition precedent to the right to receive the benefit of any coverage provided by this Policy, the “insureds” must provide to the “insurance organization” such other information and cooperation as the “insurance organization” may reasonably request.

If during the “policy period” or any applicable Extended Reporting Period, the “insureds” become aware of circumstances that could give rise to a “claim” for a “wrongful act” taking place before or during the “policy period” and give notice of such circumstances and other information as reasonably requested by the “insurance organization,” then any “claims” subsequently arising from such circumstances shall be considered to have been made during the “policy period.”

As a condition precedent to the right to receive the benefit of any coverage provided by this Policy, the “insureds” must provide the following information as part of the notice of circumstance:

- a. A description, including the date, of the potential alleged “wrongful act”;
- b. The nature of the potential “loss”; and
- c. The names of the potential claimants and “insureds” involved.

All notices under any provision of this Policy shall be in writing and given by prepaid express courier, certified mail or fax properly addressed to the appropriate party. Notice to the “insurance organization” of any “claim” or circumstance shall be submitted to Vouch Insurance Services, LLC as noted in the Common Declarations.

Notice given by or on behalf of the “insured,” or written notice by or on behalf of the injured person or any other claimant, to any New York licensed representative of the “insurance organization,” with particulars sufficient to identify the “insured,” shall be deemed notice to the “insurance organization”.

Conformity With Laws

If any term of this Policy, as written or applied, is found to be invalid under the law of any jurisdiction, then:

- a. If permitted under such law, that term will be considered amended only to the extent necessary to conform with such law;
- b. Such invalidity will not affect the validity of that term in any other jurisdiction; and
- c. Such invalidity will not affect the validity of any other term of this Policy in that or any other jurisdiction.

Deductibles And Limits Of Liability

1. Deductibles

- a. The "insurance organization's" liability with respect to "loss" arising from each "claim" shall apply only to that part of "loss" that is excess of the applicable deductible shown in Item 3. (C) or Item 8. (C) on the Declarations. However, in order to effectuate the settlement of a "claim", the "insurance organization" shall pay "loss" on the "insured's" behalf within such deductible and in this event, the "insured" shall promptly reimburse the "insurance organization" any amounts the "insurance organization" has paid within the deductible.
- b. If "loss" arising from a single "claim" is subject to more than one deductible, the applicable deductible shall be applied separately to each part of such "loss," but the largest applicable deductible shall be the maximum deductible applicable to all "loss" arising from such single "claim." If a single deductible applies to multiple "insureds," the deductible shall be pro-rated among such "insureds."

2. Limits Of Liability

- a. For all coverages included in this Policy as shown in Item 3. (A) on the Declarations that are made part of the Policy Annual Aggregate Limit Of Liability shown in Item 3. (B) on the Declarations, the Policy Annual Aggregate Limit Of Liability shown in Item 4. on the Declarations is the maximum amount the "insurance organization" shall be liable to pay, for all "loss" resulting from all "claims" first made during the "policy period."
- b. For each coverage included in this Policy as shown in Item 3. (A) on the Declarations, including any enhanced coverage that are made part of the coverage Annual Aggregate Limit Of Liability shown in Item 8. (B) on the Declarations, the coverage Annual Aggregate Limit Of Liability as shown in Item 3. (A) on the Declarations is the maximum amount the "insurance organization" shall be liable to pay, for all "loss" resulting from all "claims" first made during the "policy period," under each applicable coverage.
- c. For each enhanced coverage included in this Policy as shown in Item 8. (A) on the Declarations, the Enhanced Coverage Annual Aggregate Limit Of Liability as shown in Item 8. (A) on the Declarations is the maximum amount the "insurance organization" shall be liable to pay, for all "loss" resulting from all "claims" first made during the "policy period," under each applicable enhanced coverage.
- d. For all selected Directors & Officers Liability Coverage, including any enhanced coverages that are made part of the coverage Annual Aggregate Limit Of Liability for the Directors & Officers Liability Coverage shown in Item 8. (B) on the Declarations, and included in this Policy as shown in Item 3. (A) on the Declarations, the maximum amount the "insurance organization" shall be liable to pay is the amount provided in the Directors & Officers Liability Coverage Annual Aggregate Limit Of Liability as shown in Item 3. (A) on the Declarations, for all "loss" resulting from all "claims" first made during the "policy period," under all Directors & Officers Liability Coverage.
- e. For each selected Additional Insured included in this Policy, as shown in Item 6. (A) on the Declarations, that is subject to an Annual Aggregate Sub-Limit Of Liability shown in Item 6. (B) on the Declarations, the Annual Aggregate Sub-Limit Of Liability shown in Item 6. (C) on the Declarations is the maximum amount the "insurance organization" shall be liable to pay, for all "loss" resulting from all "claims" first made during the "policy period" for "claims" made against the applicable Additional Insured. Any Annual Aggregate Sub-Limit Of Liability for any Additional Insureds is part of and not in addition to the respective Coverage Annual Aggregate Limit Of Liability as shown in Item 3. (A) on the Declarations and any respective Enhanced Coverage as shown in Item 8. (A) on the Declarations.

f. "Defense costs" shall be part of, and not in addition to any limit of liability shown on the Declarations, and "defense costs" shall reduce and may exhaust such limit of liability.

- 1) If the "insurance organization" concludes that, based on "claims" that have been reported to the "insurance organization" and to which this Policy may apply, the Annual Aggregate Limit Of Liability is likely to be exhausted in the payment of "loss," the "insurance organization" shall notify the "insured organization" in writing, to that effect;
- 2) Upon the exhaustion of the Annual Aggregate Limit Of Liability the "insurance organization" shall notify the "insured organization" in writing, as soon as practicable, that the Annual Aggregate Limit Of Liability has actually been exhausted and the "insurance organization's" liability for "defense costs" has also ended;
- 3) The "insurance organization" shall initiate, and cooperate in, the transfer of control, to the "insured organization" of all "claims" that are subject to that Annual Aggregate Limit Of Liability. The "insured organization" must cooperate in the transfer of control of said "claims";

The "insurance organization" agrees to take such steps, as the "insurance organization" deems appropriate, to avoid a default in, or continue the defense of, such "claims" until such transfer is completed, provided the "insured organization" is cooperating in completing such transfer.

The "insurance organization" shall take no action whatsoever with respect to any "claim" seeking damages that would have been subject to that Annual Aggregate Limit Of Liability, had it not been used up, if the "claim" is reported to the "insurance organization" after that Annual Aggregate Limit Of Liability has been used up;

- 4) The "insured organization" involved in a "claim" subject to that Annual Aggregate Limit Of Liability, must arrange for the defense of such "claim" within such time period as agreed to between the "insured organization" and the "insurance organization." Absent any such agreement, arrangements for the defense of such "claim" must be made as soon as practicable;
 - 5) The "insurance organization" shall have no further liability for any "loss" resulting from any "claim" first made during that "policy period," whether or not the "claim" was first made prior to the exhaustion of the Annual Aggregate Limit Of Liability;
 - 6) If the "insurance organization" has conducted the defense of any "claim" first made during that "policy period," the "insurance organization" shall have no further obligation to do so. Upon the "insured organization's" receipt of notice from the "insurance organization" of the exhaustion of the Annual Aggregate Limit Of Liability, the "insured organization" will assume all responsibility for defense at the "insured organization's" own cost; and
 - 7) The exhaustion of the Annual Aggregate Limit Of Liability by the payments of "loss," and the resulting end of the "insurance organization's" liability for "defense costs," shall not be affected by the "insurance organization's" failure to comply with any of the provisions of this Condition.
- g. If "loss" arising from a single "claim" is covered under more than one coverage or enhanced coverage made part of this Policy, the applicable limit of liability shall apply separately to each part of such "loss."

- h. The “insurance organization’s” obligations for all “claims” first made during the “policy period” against the “insureds,” under each coverage or enhanced coverage made part of this Policy shall cease once the applicable limit of liability has been exhausted by payment of “loss.”
- i. All limits of liability made part of this Policy apply separately to each consecutive annual period during the “policy period” and to any remaining period of less than 12 months, starting with the beginning of the “policy period,” unless the “policy period” is extended after the first day of the “policy period” for an additional period of less than 12 months. In that case, the Annual Aggregate Limit Of Liability of the expiring Policy shall be increased in proportion to the extended period.

Defense And Settlements

1. The “insureds” agree not to settle or offer to settle any “claim,” incur any “defense costs” or otherwise assume any contractual obligation, admit any liability, voluntarily make any payment or confess or otherwise agree to any damages or judgments with respect to any “claim” covered by this Policy without the “insurance organization’s” written consent, that shall not be unreasonably withheld. The “insurance organization” shall not be liable for any “loss” based upon settlement, “defense costs,” assumed obligation, admitted liability, voluntary payment, or confessed or agreed damages or judgment to that it has not consented.
2. The “insurance organization” shall be entitled to full cooperation and all information and particulars it may reasonably request from the “insureds” in order to conduct its investigation or to reach a settlement of the “claim.” The “insureds” agree that in the event of a “claim,” the “insureds” shall do nothing that may prejudice the “insurance organization” or its potential or actual rights of recovery.
3. The “insurance organization” may, with the consent of the “insured organization,” settle any “claim” for any monetary amount that the “insurance organization” deems reasonable. If the “insured organization” withholds consent to such settlement, the “insurance organization” liability for all “loss” arising from such “claim” shall not exceed the total of:
 - a. The amount for which the “insurance organization” could have settled such “claim”; plus
 - b. “Defense costs” incurred as of the date such settlement was proposed in writing by the “insurance organization” to the “insured organization”; plus
 - c. 80% of the covered “loss,” excluding “defense costs,” incurred after the date such settlement was proposed in writing by the “insurance organization” to the “insured organization,” in excess of the amount for which the “insurance organization” could have settled such “claim”; plus
 - d. 80% of “defense costs” incurred after the date such settlement was proposed in writing by the “insurance organization” to the “insured organization”; minus
 - e. Any applicable deductible.
4. Any amounts paid by the “insurance organization” under paragraphs a., b. or c. above shall be part of and not in addition to the applicable limits of liability shown on the Declarations.
5. The “insurance organization” and the “insureds” shall not unreasonably withhold any consent referenced in this Defense And Settlements Condition.
6. The “insurance organization” shall have the right to appeal any judgment with respect to any “claim” covered, in whole or in part, by this Policy and the expense of appealing such judgment shall be part of “defense costs.”

7. The “insured organization” has the option to:
 - a. Select the defense attorney or to consent to the “insurance organization’s” choice of defense attorney, which consent will not be unreasonably withheld;
 - b. Participate in, and assist in the direction of, the defense of any “claim;” and
 - c. Consent to a settlement, which consent will not be unreasonably withheld.
8. The “insurance organization’s” duty to defend “claims” shall apply even if any of the allegations are groundless, false or fraudulent.

Insured Organization Rights And Obligations

The “insured organization” agrees that it shall be considered the sole agent of, and shall act on behalf of, each “insured” with respect to:

- a. The payment of premiums and the receiving of any return premiums that become due under this Policy;
- b. The negotiation, agreement to and acceptance of endorsements made part of this Policy;
- c. The giving or receiving of any notice provided for in this Policy;
- d. The adjustment of “loss” amounts; and
- e. The receipt or enforcement of payment of “loss” (and the “insured organization” further agrees that it shall be responsible for application of any such payment as provided in the Policy).

Each “insured” agrees that the “insured organization” shall act on its behalf with respects to such matters.

Judgments

If a judgment against an “insured” or an “insured’s” personal representative in an action brought to recover damages for a “loss” remains unsatisfied at the expiration of 30 days from the serving of notice of entry of judgment to the attorney for the “insured,” or to the “insured,” and to the “insurance organization,” then an action may, except during a stay or limited stay of execution against the “insured” on such judgment, be maintained against the “insurance organization” under the terms of this Policy, for the amount of such judgment not exceeding the Annual Aggregate Limit Of Liability or Annual Aggregate Sub-Limit Of Liability.

Legal Action Against Insurance Organization

1. Legal action against the “insurance organization” under this Policy may not be brought by any person or entity unless:
 - a. There has been full compliance with all the terms of this Policy; and
 - b. The “insureds” obligation to pay has finally beendetermined:
 - 1) By final judgment; or
 - 2) In a written agreement executed by the “insureds,” the claimant and the “insurance

organization.”

2. A person or entity does not have the right under this Policy to join the “insurance organization” as a party to any action or proceeding in which a “claim” against the “insureds” is being asserted, except that:
 - a. With respect to all claims covered under this Policy arising out of injury to any natural person, if the “insurance organization” disclaims liability or denies coverage based upon the failure to provide timely notice, then the injured person or other claimant may maintain an action directly against the “insurance organization,” in which the sole question is the “insurance organization’s” disclaimer or denial based on the failure to provide timely notice.
 - b. Notwithstanding paragraph a. above, the injured person or claimant may not maintain an action against the “insurance organization” if, within 60 days following such disclaimer or denial, the “insured” or “insurance organization”:
 - 1) Initiates an action to declare the rights of the parties under this Policy; and
 - 2) Names the injured person or other claimant as a party to the action.

Modification Of Policy Terms

This Policy contains all of the agreements between the “insurance organization” and the “insureds” concerning the coverage provided. The Policy terms can be modified only by written endorsement issued by the “insurance organization” and made a part of this Policy.

Non-Assignment

Neither this Policy nor any rights under this Policy can be assigned without the written consent of the “insurance organization.”

Other Insurance

The coverage provided under this Policy is excess over any other valid and collectible insurance or bond coverage that applies or would have applied in the absence of this Policy, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the coverage provided in this Policy.

Any payment by an “insured” of a deductible (or retention) under such other insurance shall reduce, if such loss would otherwise be covered “loss” under this Policy, by the amount of such payment, the applicable deductible under the coverage.

Presumptive Indemnification

As a condition precedent to the right to receive the benefit of any coverage provided by this Policy, the “insured organization” agrees to indemnify all “insured persons” for all “loss” to the fullest extent permitted by law. The “insured organization” shall also take all steps necessary or allowable to provide such indemnification.

Priority Of Payments

1. If payment is due and owed under this Policy for “loss” and such “loss” together with any prior payments of “loss,” exceeds the applicable limit of liability, the “insurance organization” shall be liable to pay such “loss” subject to the remaining applicable limit of liability in the following

priority:

- a. First, the “insurance organization” shall pay on behalf of any “insured person” for “loss” as a result of a “claim”; and
 - b. Second, only if and to the extent the payment under paragraph a. above does not exhaust the applicable limit of liability, the “insurance organization” shall pay any other “loss” covered by this Policy.
2. The parties agree that any other “insured” including any bankruptcy trustee, debtor-in-possession or any other successor of the “insured organization,” shall have no interest in or claim for any payments under this Policy until all “claims” against all “insured persons” have been fully and finally resolved and all payments for such “loss” covered under the Policy have been made.

Rights To Recover From Others

If the “insureds” have rights to recover all or part of any “loss” for which the “insurance organization” has made payment under this Policy, those rights are transferred to the “insurance organization.” The “insureds” must do everything necessary to secure and protect those rights. The “insureds” must not do anything to impair those rights. At the “insurance organization’s” request, the “insureds” shall bring suit or transfer those rights to “insurance organization” and cooperate with the “insurance organization” in the enforcement of those rights.

Severability Of Application

In providing coverage under this Policy, the “insurance organization” has relied upon the statements and representations included in the “application.” The “insureds” represent that all such statements and representations are true. This Policy is issued in reliance upon the “application.”

If any such statements and representations are untrue, and material, meaning knowledge by the “insurance organization” of the facts misrepresented would have led to the “insurance organization’s” refusal to issue the Policy, then this Policy shall not afford any coverage with respect to any of the following “insureds”:

- a. Any “insured person” who knew the facts that were not truthfully disclosed in the “application”;
- b. Under the Reimbursement Coverage in the Directors & Officers Liability Coverage, the “insured organization” to the extent that it indemnifies an “insured person” referenced in paragraph a. above; or
- c. The “insured organization,” if the Chairman of the Board, Chief Executive Officer, President, Chief Financial Officer, General Counsel, Risk Manager, Human Resource Manager, or any equivalent position knew the facts that were not truthfully disclosed in the “application”;

whether such “insured person” knew of any untruthful statements or misrepresentations in the “application.”

Severability Of Exclusions

No fact pertaining to or knowledge possessed by any “insured person” shall be imputed to any other “insured person” for purposes of applying all exclusions made part of this Policy. Only facts pertaining to or knowledge possessed by the Chairman of the Board, Chief Executive Officer, President, Chief Financial Officer, General Counsel, Risk Manager, Human Resource Manager, or any equivalent position, shall be imputed to the “insured organization” for purposes of applying

any exclusion made part of this Policy.

Territory

Coverage under this Policy applies in all parts of the world.

Valuation And Foreign Currency

All premiums, limits, deductibles, "loss" and other amounts under this Policy are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or any element of "loss" under this Policy is stated in a currency other than United States dollars, payment under this Policy shall be made in United States dollars at the rate of exchange published in The Wall Street Journal on the date the final judgment is entered, the amount of the settlement is agreed upon or any part of the "loss" is due.

IN WITNESS WHEREOF, the "insurance organization" has caused this Policy to be signed by its President and Secretary and countersigned, if required, on the Declarations page by its duly authorized agent.

EXAMPLE



Directors & Officers Liability Policy

DO NY-0003 06 20

Directors & Officers Liability Coverage – New York

This Coverage is subject to the Common Terms and Conditions and Declarations, except as modified in this Coverage. The Additional Definitions and Additional Exclusions in this Coverage apply only to this Coverage.

Coverages

Individual

If Individual Coverage is granted as shown in Item 3. (A) on the Declarations, the "insurance organization" shall pay on behalf of any "insured person," "loss" for which the "insured person" is legally obligated to pay and that the "insured person" is not indemnified by the "insured organization," as a result of any "claim" first made during the "policy period" or any applicable Extended Reporting Period against the "insured person," individually or otherwise for a "wrongful management liability act."

The Individual Coverage is non-rescindable.

Reimbursement

If Reimbursement Coverage is granted as shown in Item 3. (A) on the Declarations, the "insurance organization" shall pay on behalf of any "insured organization," "loss" for which the "insured person" is legally obligated to pay and that the "insured person" is indemnified by the "insured organization," as a result of any "claim" first made during the "policy period" or any applicable Extended Reporting Period against the "insured person," individually or otherwise for a "wrongful management liability act."

Entity

If Entity Coverage is granted as shown in Item 3. (A) on the Declarations, the "insurance organization" shall pay on behalf of any "insured organization," "loss" for which the "insured organization" is legally obligated to pay, as a result of any "claim" first made during the "policy period" or any applicable Extended Reporting Period against the "insured organization," individually or otherwise for a "wrongful management liability act."

Outside Director Liability

If Outside Director Liability Coverage is granted as shown in Item 8. (A) on the Declarations, the "insurance organization" shall pay on behalf of any "insured person," "loss" for which the "insured person" is legally obligated to pay as a result of any "claim" first made during the "policy period" or any applicable Extended Reporting Period against the "insured person," individually or otherwise for a "wrongful outside director liability act." However, if the "insured person" is indemnified by any entity or has other valid and collectible insurance coverage, this coverage will apply as excess.



Directors & Officers Liability Policy

DO NY-0003 06 20

For purposes of Outside Director Liability Coverage, the Outside Entity Exclusion in the Terms, Conditions And Other Provisions is deleted.

Additional Exclusions

The "insurance organization" shall not be liable to make any payment:

Contractual Liability

For "loss" related to any "claim" based upon, arising out of, attributable to, resulting directly or indirectly from the actual or alleged liability of an "insured" under any oral, written or implied contract or agreement, regardless of whether such liability is direct or assumed. Provided, however, this exclusion shall not apply to the portion of "loss" related to liability the "insured" would have in the absence of the contract or agreement.

Fair Labor Standards Acts

For "loss" related to any "claim" based upon, arising out of, attributable to, resulting directly or indirectly from the Fair Labor Standards Act (FLSA) (29 U.S.C. § 201, et seq.), or any similar state or local laws.

Greenmail

For the portion of "loss" related to greenmail, which means the actual or proposed payment by the "insured organization" of allegedly inadequate consideration in connection with the "insured organization's" purchase of securities issued by any organization or ownership interest in any organization.

Intellectual Property

For "loss" related to any "claim" based upon, arising out of, attributable to, resulting directly or indirectly from any actual or alleged infringement or violation of any intellectual property rights or laws, including, but not limited to, copyright, title, slogan, patent, service mark, service name, trade dress, trade name, trade secret, or trademark.



Directors & Officers Liability Policy

DO NY-0003 06 20

Other Excluded Losses

For the portion of "loss" related to:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. Wrongful entry into, or eviction of a person or entity from, a room, dwelling or premises;
- d. Libel or slander, defamation of character, trade libel or other alleged disparagement of a person's or organization's reputation, goods, products or services;
- e. Violation of a person's right of privacy;
- f. Physical harm, sickness, disease, disability, death, mental anguish, emotional distress, mental injury or humiliation of any person; or
- g. Damage to or destruction of any tangible property or data, including loss of use of the property or data.

Other Wrongful Acts

For the portion of "loss" related to a "wrongful fiduciary liability act" or a "wrongful employment practices liability act."

Prior Or Pending Litigation – Entity Coverage

For "loss" related to any "claim" based upon, arising out of, attributable to, resulting directly or indirectly from any written demand, suit, litigation, order, formal complaint, formal civil administrative or civil regulatory proceeding, judgment or arbitration proceeding against any "insured" occurring on or prior to the Prior Or Pending Litigation Date shown in Item 7. on the Declarations for Entity Coverage, or any "interrelated wrongful act" that is part of or alleged in the aforementioned actions, with respect to Entity Coverage.

Prior Or Pending Litigation – Individual Coverage

For "loss" related to any "claim" based upon, arising out of, attributable to, resulting directly or indirectly from any written demand, suit, litigation, order, formal complaint, formal civil administrative or civil regulatory proceeding, judgment or arbitration proceeding against any "insured" occurring on or prior to the Prior Or Pending Litigation Date shown in Item 7. on the Declarations for Individual Coverage, or any "interrelated wrongful act" that is part of or alleged in the aforementioned actions, with respect to Individual Coverage.



Directors & Officers Liability Policy

DO NY-0003 06 20

Prior Or Pending Litigation – Reimbursement Coverage

For "loss" related to any "claim" based upon, arising out of, attributable to, resulting directly or indirectly from any written demand, suit, litigation, order, formal complaint, formal civil administrative or civil regulatory proceeding, judgment or arbitration proceeding against any "insured" occurring on or prior to the Prior Or Pending Litigation Date shown in Item 7. on the Declarations for Reimbursement Coverage, or any "interrelated wrongful act" that is part of or alleged in the aforementioned actions, with respect to Reimbursement Coverage.

Professional Services

For the portion of "loss" related to any service for a fee and pursuant to a written agreement provided by the "insured organization" or an "outside entity."

Provided, however, this exclusion shall not apply to any "claim" against an "insured" to the extent such "claim" is for a "wrongful management liability act" in connection with the management or supervision of any division or "subsidiary" of the "insured organization" offering any of the aforementioned services.

Securities

For "loss" related to any "claim" based upon, arising out of, attributable to, resulting directly or indirectly from:

- a. The actual or alleged violation of any federal, state, municipal, agency or common law or any rules or regulations promulgated thereunder relating to securities (including any unit of a capital account) offered or issued by the "insured organization";
- b. Any public offering, sale, solicitation or distribution of any securities issued by the "insured organization"; or
- c. Any actual or alleged purchase, sale or distribution of or offer, representation or agreement relating to securities (including any unit of a capital account) offered or issued by the "insured organization."



Directors & Officers Liability Policy

DO NY 0044 11 22

BIOMETRIC DATA EXCLUSION

This Endorsement is subject to the Common Terms and Conditions and Definitions, except as modified in this Endorsement.

EXCLUSIONS

Biometric Data

The "insurance organization" shall not be liable to make any payment for "loss" related to any "claim" based upon, arising out of, attributable to, or resulting directly or indirectly from or in consequence of, or in any way involving any actual or alleged violations of biometric laws, regulations, or rules, including, but not limited to laws, regulations, or rules that specify any type of requirement related to a "biometric identifier".

For purpose of this endorsement, "biometric identifier" means a retina or iris scan, fingerprint, voiceprint, scan of hand or face geometry, writing samples, written signatures, photographs, human biological samples used for valid scientific testing or screening, demographic data, tattoo descriptions, physical descriptions such as height, weight, hair color, or eye color, or other unique biological patterns or characteristics used to identify a specific individual.



Directors & Officers Liability Policy

PREPAYMENT OF PREMIUM ENDORSEMENT

This Endorsement is subject to the Common Terms and Conditions and Declarations, except as modified in this Endorsement.

This Endorsement is effective at 12:01 a.m. on 07-20-2023.

CONDITION

Annual Policy Period

The Annual Policy Period Condition is added as follows:

An annual "policy period" is the 12 month period beginning on the effective date of this Policy, and each 12 month period thereafter beginning on the anniversary of that effective date.

ADDITIONAL CONDITIONS

Cancellation

If the "insured organization" cancels this Policy during the term of this Endorsement, any refund due will be calculated without applying any applicable discount on the premium paid under this Endorsement.

Prepayment Of Premium

The "insured organization" agrees to prepay premium for the annual "policy periods" from 07-20-2023 to . In exchange for prepayment of premium, the "insurance organization" agrees to guarantee the "insured organization's" premium for the annual "policy periods" shown above. The "insured organization's" premium is subject to change resulting from your Request For Change as described in this Endorsement.

Request For Change

The "insured organization's" request and "insurance organization's" approval for a change in coverage, limits or deductibles of any one or more coverages effective after 07-20-2023 and before will result in a premium adjustment of those coverages as of the effective date of the change using rates then in effect.



Directors & Officers Liability Policy

DO NY-0015 09 19

CLAIMS-MADE POLICY DISCLOSURE
ADDENDUM TO APPLICATION AND DECLARATIONS

This Policy is written on a claims-made basis.

This Policy provides no coverage for "claims" arising out of alleged wrongful acts which took place prior to the retroactive date, if any, stated in the Policy.

This Policy covers only "claims" actually made against the "insured organization" while the Policy remains in effect and all coverage under the Policy ceases upon the termination of the Policy, ~~except for the Automatic Extended Reporting Period coverage, unless the "insured organization" purchases Optional Extended Reporting Period coverage.~~

This Policy includes an Automatic Extended Reporting Period of 60 days following "termination of coverage." For an additional premium, the "insured organization" may purchase an Optional Extended Reporting Period of 12, 24 or 36 months following "termination of coverage". The premium for the Optional Extended Reporting Period will be as follows:

12 Months: 75% of the expiring annual policy premium;
24 Months: 150% of the expiring annual policy premium; or
36 Months: 200% of the expiring annual policy premium.

Potential coverage gaps may arise upon expiration of the Optional Extended Reporting Period.

During the first several years of a claims-made relationship, claims made rates are comparatively lower than occurrence rates. You can expect substantial annual premium increases, independent of overall rate level increases, until the claims made relationship reaches maturity.



Directors & Officers Liability Policy

DO NY-0018 09 19

CHANGES IN EXPOSURE ENDORSEMENT

This Endorsement is subject to the Common Terms and Conditions and Declarations, except as modified in this Endorsement.

CONDITION

Changes In Exposure

The Changes In Exposure Condition in the Common Terms and Conditions and Declarations is replaced with the following:

1. Acquisition Or Creation Of Another Organization

If before or during the "policy period" the "insured organization" acquires an interest in another organization:

a. Or creates another organization, that as a result of such acquisition or creation becomes a "subsidiary;" or

b. By merger or consolidation, such that the "insured organization" is the surviving entity,

then such other organization, including their equivalent "insured persons" and "insured plans," shall become an "insured" under this Policy, but only with respect to "wrongful acts" occurring subsequent to such acquisition, creation, merger or consolidation.

If the total assets of any such acquired, created, merged or consolidated "subsidiary" or its total benefit plans exceed 35% of the total assets of the "insured organization" or its "insured plans," respectively (as reflected in each of the most recent annual consolidated financial statements or similar written confirmation of total assets), the "insured organization" shall give written notice of such acquisition, creation, merger or consolidation to the "insurance organization" and, any additional information requested by the "insurance organization" as soon as practicable, but in no event later than 60 days after the date of such acquisition, creation, merger or consolidation. The "insured organization" shall also provide any requested additional premium required by the "insurance organization" within 30 days of request for such additional premium. If the "insured organization" fails to provide written notice to the "insurance organization" of such acquisition, creation, merger or consolidation of or into such organization, or any additional information requested by the "insurance organization," or fails to pay any premium for the Policy which is owed and not yet paid or fails to pay the required additional premium, then coverage for such organization shall be subject to the Cancellation Additional Condition in the Conditional Renewal, Nonrenewal and Cancellation Endorsement.



Directors & Officers Liability Policy

DO NY-0019 01 20

SEVERABILITY OF APPLICATION ENDORSEMENT

This Endorsement is subject to the Common Terms and Conditions and Declarations, except as modified in this Endorsement.

CONDITION

Severability Of Application

The Severability Of Application Condition in the Common Terms and Conditions and Declarations is replaced with the following:

In providing coverage under this Policy, the "insurance organization" has relied upon the statements and representations included in the "application." The "insureds" represent that all such statements and representations are true. This Policy is issued in reliance upon the "application." No misrepresentation in the "application" shall prevent recovery under this Policy unless such misrepresentation was material. A misrepresentation shall be deemed material if knowledge by the "insurance organization" of the facts misrepresented would have led to a refusal by the "insurance organization" to issue this Policy.

In the event of a material misrepresentation, this Policy shall not afford any coverage with respect to any of the following "insureds":

- a. Any "insured person" who knew the facts that were not truthfully disclosed in the "application";
- b. Under the Reimbursement Coverage in the Directors & Officers Liability Coverage, the "insured organization" to the extent that it indemnifies an "insured person" referenced in paragraph a. above;
- c. The "insured organization," if the CEO, CFO, General Counsel, or any equivalent position knew the facts that were not truthfully disclosed in the "application."



Directors & Officers Liability Policy

DO NY-0020 09 19

SEVERABILITY OF EXCLUSIONS ENDORSEMENT

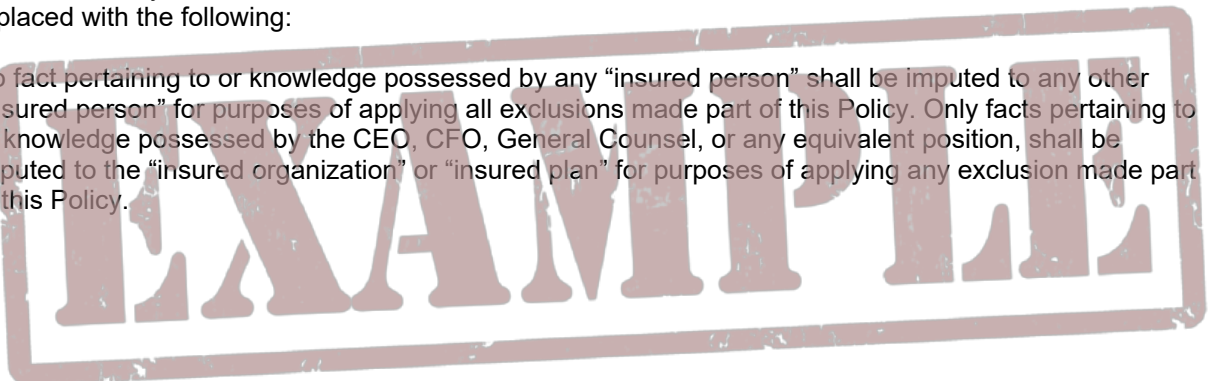
This Endorsement is subject to the Common Terms and Conditions and Declarations, except as modified in this Endorsement.

CONDITION

Severability Of Exclusions

The Severability Of Exclusions Condition in the Common Terms and Conditions and Declarations is replaced with the following:

No fact pertaining to or knowledge possessed by any "insured person" shall be imputed to any other "insured person" for purposes of applying all exclusions made part of this Policy. Only facts pertaining to or knowledge possessed by the CEO, CFO, General Counsel, or any equivalent position, shall be imputed to the "insured organization" or "insured plan" for purposes of applying any exclusion made part of this Policy.





Directors & Officers Liability Policy

DO NY-0022 04 20

CLAIMS REPORTING ENDORSEMENT

This Endorsement is subject to the Common Terms and Conditions and Definitions, except as modified in this Endorsement.

CONDITION

Claims Reporting

The Claims Reporting Condition in the Common Terms and Conditions and Declarations is replaced with the following:

For the purposes of this Policy, all "claims," including any "claims" made during any applicable Extended Reporting Period, arising out of the same "wrongful act" and all "interrelated wrongful acts" of the "insureds," injured person or any other claimant shall be deemed one "claim," and such "claim" shall be deemed to be first made against the "insureds" on the date the earliest of such "claims" is first made against them, regardless of whether such date is before or during the "policy period."

As a condition precedent to the right to receive the benefit of any coverage provided by this Policy, the "insureds" must give written notice to the "insurance organization" of any "claim" as soon as practicable, but in no event later than:

- a. 60 days from the expiration of the "policy period"; or
- b. If the Extended Reporting Period is elected, the expiration of the Extended Reporting Period; or
- c. If this Policy is renewed, the expiration of that subsequent renewal.

Notice of claim will occur upon knowledge of claim possessed by the CEO, CFO, General Counsel, or any equivalent position.

Failure to give any notice required to be given within the time prescribed shall not invalidate any "claim" made by the "insured," an injured person or any other claimant, unless the failure to provide timely notice has prejudiced the "insurance organization".

As a condition precedent to the right to receive the benefit of any coverage provided by this Policy, the "insureds" must provide the following information as part of the notice of "claim":

- a. The name of the claimant;



Directors & Officers Liability Policy

DO NY-0022 04 20

- b. The names of the "insureds" whose "wrongful acts" are involved in the "claim"
- c. The date of the alleged "wrongful acts"; and
- d. A copy of any written demand, summons, complaint, lawsuit or legal notice comprising or giving notice of the "claim."

As a condition precedent to the right to receive the benefit of any coverage provided by this Policy, the "insureds" must provide to the "insurance organization" such other information and cooperation as the "insurance organization" may reasonably request.

If during the "policy period" or, any applicable Extended Reporting Period, the "insureds" become aware of circumstances that could give rise to a "claim" for a "wrongful act" taking place before or during the "policy period" and give notice of such circumstances and other information as reasonably requested by the "insurance organization," then any "claims" subsequently arising from such circumstances shall be considered to have been made during the "policy period".

As a condition precedent to the right to receive the benefit of any coverage provided by this Policy, the "insureds" must provide the following information as part of the notice of circumstance:

- a. A description, including the date, of the potential alleged "wrongful act";
- b. The nature of the potential "loss"; and
- c. The names of the potential claimants and "insureds" involved.

All notices under any provision of this Policy shall be in writing and given by prepaid express courier, certified mail or fax properly addressed to the appropriate party. Notice to the "insurance organization" of any "claim" or circumstance shall be submitted to:

Notice given by or on behalf of the "insured," or written notice by or on behalf of the injured person or any other claimant, to any New York licensed representative of the "insurance organization," with particulars sufficient to identify the "insured," shall be deemed notice to the "insurance organization".



Directors & Officers Liability Policy

DO NY-0028 09 19

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term "act of terrorism" means any act or acts that are 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.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100

BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

State National Insurance Company, Inc.



Directors & Officers Liability Policy

DO NY-0028 09 19

Acceptance or Rejection of Terrorism Insurance Coverage

<input checked="" type="checkbox"/>	I hereby elect to purchase terrorism coverage for a prospective premium of \$64.
<input type="checkbox"/>	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant's Signature

Date

Print Name

Name of Insurer: State National Insurance Company, Inc.
Policy Number: EXAMPLE POLICY DOCUMENT





Directors & Officers Liability Policy

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

The federal Terrorism Risk Insurance Act requires notification of coverage for losses arising out of acts of terrorism. As defined in the Terrorism Risk Insurance Act, the term certified "act of terrorism" means 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 an air carrier or vessel 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.

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States Government under a formula established by Federal law. However, your policy may contain other exclusions which might affect your coverage such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutory established deductible paid by the insurance company providing this coverage. The premium charged for this coverage does not include any charges for the portion of loss that may be covered by the Federal Government under the Act.

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 Billion cap that limits U.S. Government reimbursement as well as insurer's liability for losses resulting from certified acts of terrorism when the amount of such losses in any calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The summary of the Terrorism Risk Insurance Act and the coverage under your policy contained in this notice is necessarily general in nature. Your policy contains specific terms, definitions, exclusions and conditions. In case of any conflict, your policy language will control the resolution of all coverage questions. The portion of your annual premium attributable to coverage for acts of terrorism is currently waived.



Directors & Officers Liability Policy

DO NY-0031 09 19

DEDUCTIBLES AND LIMITS OF LIABILITY ENDORSEMENT

This Endorsement is subject to the Common Terms and Conditions and Declarations, except as modified in this Endorsement.

CONDITION

Deductibles And Limits Of Liability

The following is added to the Deductibles And Limits Of Liability Condition in the Common Terms and Conditions and Declarations:

3. Individual Coverage - Director Or Officer Deductible, Director Or Officer Aggregate Deductible And Director Or Officer Co-Payment

If Individual Coverage is granted as shown in Item 3. (A) on the Declarations, the "insurance organization's" liability with respect to "loss" arising from each "claim" shall apply to that part of "loss" that is excess of the Director Or Officer Deductible as shown in Item 9. (A) on the Declarations, and Director Or Officer Co-Payment as shown in Item 9. (C) on the Declarations.

For "loss" that is excess of the Director Or Officer Deductible as shown in Item 9. (A) on the Declarations, the "director or officer" shall pay the Director Or Officer Co-Payment as shown in Item 9. (C) on the Declarations. The Director Or Officer Co-Payment shall only apply to the first one million dollars of "loss."

The Director Or Officer Deductible as shown in Item 9. (A) on the Declarations, applies to each "director or officer" alleged to be liable for "loss." In the event the total of the Director Or Officer Deductibles exceeds the Director Or Officer Aggregate Deductible as shown in Item 9. (B) on the Declarations, then the minimum Director Or Officer Deductible for each such "director or officer" shall be the Director Or Officer Aggregate Deductible divided by the total number of "directors or officers" alleged to be liable for such "loss." However, the minimum Director Or Officer Deductible shall in no event be reduced below 75% of the Director Or Officer Deductible.



Directors & Officers Liability Policy

**POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE
COVERAGE ENDORSEMENT**

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are 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. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events.

Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is, \$64 and does not include any charges for the portion of losses covered by the United States government under the Act.

Name of Insurer: State National Insurance Company, Inc.
Policy Number: EXAMPLE POLICY DOCUMENT