



PROFESSIONAL LIABILITY ERRORS AND OMISSIONS INSURANCE

This Professional Liability policy is designed to offer coverage for the risks faced in performing Professional Services. Please read this Policy carefully so **you** understand the insurance that **you** have purchased. All words and phrases that appear in bold-type (except headings) have special meaning and are defined in the Definitions section of this Policy. All Coverage under this insurance is subject to the entire terms and conditions of the policy.

Form: CTPL CW PLPOLICY 05 19
Coverage for Claims Made Against You

You have purchased insurance that provides coverage for **Claims** made against **you**. **We** will pay **Damages** for which **you** are liable that are covered under the Insuring Agreement, subject to all of the terms and conditions set forth in the policy. Covered **Claims** are for **your** Wrongful Acts in providing or failing to provide **Professional Services** during the **Policy Period**. To determine who is an **Insured** please refer to the Definitions and Spousal and Domestic Partner section of the policy. Additionally, for coverage to apply, **you** and all other **Insureds** must comply with all duties and obligations set forth in the Notice of Claims, Notice of Potential Claims, and other parts of the policy. The most **we** will pay is stated in the Limits of Liability Section, and Damages, events and perils **we** will not pay are specified in the Exclusions section and in the Definitions. **You** are responsible for payment of the deductible that applies under the terms of this policy.

PART I – INSURANCE PROVIDED.

In consideration of the premium charged, **we** and **you** agree as follows:

A. INSURING AGREEMENT.

We shall pay on **your** behalf Damages and **Claim Expenses** in excess of the Deductible resulting from any covered **Claim**. A covered **Claim** shall be first made against **you** during the **Policy Period** and reported to **us** pursuant to the terms of the Policy for **Wrongful Acts** committed on or after the **Retroactive Date**.

We shall also pay on **your** behalf all Supplemental Payments in connection with any covered **Claim**. Such claim shall be first made against **you** during the **Policy Period** and reported to **us** pursuant to the terms of the Policy for **Wrongful Acts** committed on or after the **Retroactive Date**. No Deductible shall apply to Supplemental Payments.

B. DEFENSE.

1. **We** shall have the right and the duty to defend any covered **Claim**, even if such claim is groundless, false or fraudulent.
2. **We** shall have the right to appoint defense counsel chosen by **us**.
3. Notwithstanding paragraph 2. above, **we** shall have no obligation to pay **Claim Expenses** until **you** have satisfied the applicable Deductible.
4. **Our** duty to settle or defend ends when our limit of liability has been exhausted by payment of judgments or settlements, or deposited into a court with jurisdiction.

C. SETTLEMENT.

1. **We** shall have the right to solicit and negotiate settlement of any **Claim**.
2. **We** shall not, however, enter into a settlement without **your** prior consent, which consent shall not be unreasonably withheld.
3. If **you** shall refuse to consent to any settlement recommended by **us**, **our** liability for such **Claim** shall not exceed the amount for which such **Claim** could have been settled plus **Claim Expenses** incurred up to the date of such refusal.

PART II - CLAIMS

A. NOTICE OF CLAIMS.

1. As a condition precedent to any coverage under this Policy, **you** shall give written notice to **us** of any **Claim** as soon as practicable, but in all events no later than:
 - a. the end of the **Policy Period** (or any purchased Optional Extended Reporting Period); or
 - b. 60 days after the end of the **Policy Period** (or any purchased Optional Extended Reporting Period) so long as such **Claim** is made within the last 60 days of such **Policy Period** (or any purchased Optional Extended Reporting Period).
2. Such notice shall be sent to **us** at **our** address shown in the Declarations.
3. Included with such notice shall be all documents related to such **Claim**, including every demand, notice, summons or other applicable information received by **you** or an Insured, or the representative of either.

B. NOTICE OF POTENTIAL CLAIMS.

If **you** become aware during the **Policy Period** of any **Wrongful Act** that might be reasonably likely give rise to a covered **Claim**, **you** should give written notice to **us** of such potential **Claim** during the **Policy Period**. Such notice must include to the fullest extent possible:

1. the identity of the potential claimant;
2. the identity of the person(s) who allegedly committed the **Wrongful Act**;
3. the date and circumstances of the alleged **Wrongful Act**;
4. specific details of the alleged **Wrongful Act**;
5. the identity of any known potential fact witnesses;
6. the location of any known physical evidence; and
7. any written notice from the potential claimant describing the **Wrongful Act**.

If such notice is accepted as a "potential **Claim**," then any actual **Claim** that is subsequently made shall be deemed to have been first made on the date such "potential **Claim**" was first reported to **us**. Provided, however, **you** may not report "potential **Claims**" during any purchased Optional Extended Reporting Period.

C. OPTIONAL EXTENDED REPORTING PERIOD.

1. If **we** or the **Named Insured** cancel or non-renew this Policy, then the **Named Insured** shall have the right to purchase for an additional premium an Optional Extended Reporting Period. Provided, however, the right to purchase an Optional Extended Reporting Period shall not apply if:
 - a. this Policy is canceled by **us** for nonpayment of premium;
 - b. the total premium for this Policy has not been fully paid; or
 - c. the Optional Extended Reporting Period is being purchased to cover a known claim or potential claim.
2. The Optional Extended Reporting Period will apply only to **Claims** that:
 - a. are first made against **you** and reported to **us** during such Optional Extended Reporting Period; and
 - b. are for **Wrongful Acts** committed on or after the Retroactive Date but prior to the effective date of cancellation or non-renewal (as described by Endorsement hereto).
3. The additional premium for such Optional Extended Reporting Period shall not exceed 200% of the annualized expiring premium for an Optional Extended Reporting Period of 3 years. The additional premium for such Optional Extended Reporting Period shall be fully earned at the inception of such Optional Extended Reporting Period.

4. Notice of election and full payment of the additional premium for the Optional Extended Reporting Period must be received within 30 days after the effective date of cancellation or non-renewal (as described by Endorsement hereto). In the event the additional premium is not received within the 30 days, any right to purchase the Optional Extended Reporting Period shall lapse and no further Optional Extended Reporting Period shall be offered.

The Limits of Liability applicable during any purchased Optional Extended Reporting Period shall be the remaining available Limits of Liability under this canceled or non-renewed Policy. There shall be no separate or additional Limit of Liability available for any purchased Optional Extended Reporting Period. And, the purchase of any Optional Extended Reporting Period shall in no way increase the Limit of Liability set forth in the Declarations.

PART III – EXCLUSIONS.

This Policy does not apply to, and **we** shall have no obligation to pay any **Damages, Claim Expenses or Supplemental Payments** for any **Claim**:

- A. based upon or arising out of any actual or alleged fraud, dishonesty, criminal conduct, or any knowingly wrongful, malicious, or intentional acts or omissions. Except, however:
 1. **We** will pay **Claim Expenses** until there is a final adjudication establishing such conduct, at which time **you** shall reimburse **us** for such **Claim Expenses**; and
 2. this exclusion shall not apply to otherwise covered intentional acts or omissions resulting in a **Personal Injury**.
- B. based upon or arising out of any actual or alleged gaining of any profit or advantage to which **you** were not legally entitled.
- C. based upon or arising out of any actual or alleged wrongful termination, retaliation or discrimination against or harassment of any past, present, future or potential employee of **yours**. This includes but not is not limited to any violations of federal, state or local statutory or common law.
- D. based upon or arising out of any actual or alleged **Wrongful Act** that:
 1. was committed prior to the Retroactive Date;
 2. has been the subject of any notice given under any other policy of which this Policy is a renewal or replacement; or
 3. **You** had knowledge of prior to the Policy Period and had a reasonable basis to believe that such **Wrongful Act** could give rise to a **Claim**.
- E. brought by or on behalf of any federal, state or local government agency or professional or trade licensing organization. Except, however, this exclusion shall not apply to claims brought in their capacity as a client receiving **your Professional Services**.
- F. brought by or on behalf of one **Insured** against another **Insured**.
- G. brought by or on behalf of any person or entity over which or whom **you** maintain **Effective Control**.
- H. based upon or arising out of any actual or alleged violation of the following laws, including any similar provisions of any federal, state or local statutory or common law:
 1. the Securities Act of 1933 (as amended);
 2. the Securities Exchange Act of 1934 (as amended);
 3. any state blue sky or securities laws (as amended);
 4. the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1961 et seq. (as amended);
 5. the Employee Retirement Income Security Act of 1974 (as amended); including any rules or regulations promulgated thereunder.
- I. based upon or arising out of any actual or alleged obligation under the following:
 - Workers' Compensation.

- Unemployment Compensation.
- Employers Liability or Disability Benefit Law, or
- Any similar provisions of any federal, state or local statutory or common law.
- J. based upon or arising out of any actual or alleged liability of others that **you** assume under any contract, agreement or bailment unless such liability would have attached in the absence of such contract or agreement.
- K. based upon or arising out of any actual or alleged **Bodily Injury** or **Property Damage**.
- L. based upon or arising out of any actual, alleged or threatened discharge of **Pollutants**. This includes any direction or request to test for, monitor, clean up, remove, mitigate, contain, treat, detoxify or neutralize Pollutants.
- M. based upon or arising out of any actual or alleged infringement of any copyright, trademark, trade dress, trade name, service mark, service name, title, slogan or patent or theft of trade secret.
- N. based upon or arising out of any actual or alleged false or deceptive advertising of **your** goods or services or misrepresentation in advertising of **your** goods or services. This includes but is not limited to any wrongful description of prices of **your** goods or services or the quality or performance of **your** goods or services.
- O. based upon or arising out of any actual or alleged breach of express warranties or guarantees.
- P. based upon or arising out of any actual or alleged violation of any federal, state or local statutes, ordinances or regulations regarding or relating to any of the following:
 - unsolicited telemarketing.
 - solicitations.
 - emails.
 - faxes.
 - any other communications of any type or nature, including but not limited to any "anti-spam" and "do-not-call" statutes, ordinances, or regulations.
- Q. based upon or arising out of any actual or alleged failure to procure or maintain adequate insurance or bonds.
- R. based upon or arising out of any actual or alleged failure to protect any non-public, personally identifiable information in **your** care, custody or control.
- S. based upon or arising out of any actual or alleged actuarial services, medical or nursing services, insurance agent/broker services, legal services or services as an architect or engineer.
- T. based on actual or alleged discrimination or actual or alleged sexual harassment by the **Insured**.

PART IV – LIMITS OF LIABILITY.

A. LIMIT OF LIABILITY.

Regardless of the number of **Claims** made during the **Policy Period** the maximum that **we** shall be liable to pay shall be as follows:

1. The amount shown in the Declarations as "Each Claim" shall be the maximum amount for each covered **Claim**.
2. The amount shown in the Declarations as "Aggregate for all Claims" is the maximum amount for all **Claims** combined.
3. Notwithstanding 1. and 2. above, **our** liability for **Supplemental Payments** shall not exceed \$250 per day for each **Insured** up to \$5,000 per **Claim**, which amounts shall reduce the amounts described in 1. and 2. above.

B. DEDUCTIBLE.

1. **We** shall not be responsible for payment of **Damages** or **Claims Expenses** until the Deductible amount has been satisfied by **you** or an **Insured**.
2. **We** may at **our** discretion advance payment of **Damages** or **Claims Expenses** within the Deductible amount on **your** behalf, but **you** shall reimburse **us** for any such amounts as soon as **we** request such reimbursement.
3. No Deductible amount shall apply to **Supplemental Payments**.

C. RELATED CLAIMS.

For purposes of the applicable Deductible and Limit of Liability the following applies.:

All **Claims** based upon or arising out of continuous, repeated, related or interrelated **Wrongful Acts** shall be considered a single **Claim**. That claim is considered to be made against **you** in the **Policy Period** the first such **Claim** was made.

PART V – GENERAL MATTERS.

A. ESTATES, HEIRS, LEGAL REPRESENTATIVES, SPOUSES & DOMESTIC PARTNERS.

This Policy shall apply to **Claims** brought against:

1. the heirs, executors, administrators, trustees in bankruptcy, assignees and legal representatives; or
2. the lawful spouse or lawful domestic partner;

of any **Insured** in the event of such **Insured's** death or disability, but only:

1. for the **Wrongful Acts** of such **Insured**; or
2. in connection with their ownership interest in property which the claimant seeks as recovery for actual or alleged **Wrongful Acts** of such **Insured**.

B. INSURED DUTY TO COOPERATE.

You shall have the duty to cooperate with **us** in the defense, investigation and settlement of any **Claim**, including but not limited to:

1. upon request, submit to examination and interrogation under oath by **our** representative as often as **we** reasonably require. Such examination shall be outside of the presence of other **Insureds** and witnesses;
2. attend hearings, depositions and trials as requested by **us**;
3. assist in securing and giving evidence and obtaining the attendance of witnesses;
4. provide written statements to **our** representative and meet with such representative for the purpose of investigation and/or defense of all **Claims** and potential **Claims**; and
5. provide all documents **we** reasonably require.

C. INSURED OBLIGATION NOT TO INCUR EXPENSE OR ADMIT LIABILITY.

You shall not, except at **your** own cost, make any payment, incur any expense, admit any liability, settle any **Claim** or assume any obligation without **our** prior consent.

D. ACTION AGAINST THE INSURER.

No action shall be taken against **us** unless:

1. **You** have complied fully with all the terms and conditions of this Policy; and
2. the amount of **your** obligation to pay shall have been finally determined either by judgment against **you** or an **Insured** after actual trial, or by written agreement between **you, us** and the claimant.

No person or entity shall have any right under this Policy to join **us** as a party to any **Claim** against **you**, nor shall **we** be impleaded by **you** or **your** legal representatives in any such **Claim**.

E. OTHER INSURANCE.

This Policy shall be excess insurance over any other valid and collectable insurance available to **you** or an **Insured**. Whether such other insurance is stated to be primary, secondary, contributory, excess, contingent or otherwise.

F. SUBROGATION.

1. In the event of any payment by **us** under this Policy, **we** shall be subrogated to all of **your** rights of recovery to such payment.
2. **You** shall do everything that may be necessary to secure and preserve such subrogation rights, including but not limited to the execution of any documents necessary to allow **us** to bring suit in **your** name.
3. **You** shall do nothing to prejudice such subrogation rights without first obtaining **our** written consent.
4. Any recovery shall first be paid to **us** up to the amount of any **Damages, Claim Expenses** or **Supplemental Payments** that **we** have paid. Any remaining amounts shall be paid to **you**.
5. Notwithstanding the above, no subrogation shall be had against any **Insured**.

G. ALTERATION AND ASSIGNMENT.

The interests of any **Insured** is not assignable, including but not limited to breach of contract or bad faith actions or suits that may be brought against **us**. If the **Insured** is an individual person and shall die or be adjudged incompetent, this policy shall cover the **Insured's** legal representative. Said representative will be considered as the **Insured** with respect to liability previously incurred and covered by this policy. No change in, modification of or assignment of interest under this Policy shall be effective unless made by written endorsement to this Policy signed by **our** authorized representative.

H. REPRESENTATIONS.

As a condition precedent of **our** obligations under this Policy, **you** represent that:

1. the statements and representations made by **you** in the **Application** are true and complete, and are the basis of the Policy and are to be considered as incorporated into and constituting a part of this Policy;
2. the statements and representations made by **you** in the **Application** shall be deemed material to the acceptance of the risk assumed by **us** under the Policy;
3. this Policy is issued in reliance upon the truth and completeness of the statements and representations made by **you** in the **Application**; and
4. in the event the **Application** contains misrepresentations which materially affect the acceptance or pricing of the risk assumed by **us** under this Policy, this Policy shall be void ab initio.

I. BANKRUPTCY OR INSOLVENCY.

Your bankruptcy or insolvency shall not relieve **us** of any of **our** obligations under this Policy.

J. TERRITORY.

This Policy shall apply to **Wrongful Acts** committed anywhere in the world. Provided that any action, in relation to, or arising from the **Claim** is brought at a location with proper jurisdiction within the United States, its territories or possessions, or Canada.

K. FALSE OR FRAUDULENT CLAIMS.

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

L. NAMED INSURED RESPONSIBILITIES.

It shall be the responsibility of the **Named Insured** to act on behalf of all other **Insureds** with respect to the following:

1. giving and receiving notice of cancellation and/or non-renewal;
2. *payment of premium*
3. receipt of return premiums;
4. acceptance of changes to this Policy; and
5. payment of Deductibles.

M. EXAMINATION OF YOUR BOOKS AND RECORDS.

We may examine and audit **your** books and records as they related to this Policy at any time during the **Policy Period**. This may also include any purchased Optional Extended Reporting Period and up to three years after the end of the **Policy Period** (or extended period).

N. TITLES.

Titles of sections of and endorsements to this Policy are inserted solely for convenience of reference and shall not be deemed to limit, expand or otherwise affect the provisions to which they relate.

PART VI – DEFINITIONS.

The following definitions shall apply to the words and phrases shown in **bold** text. These words and phrases will have the meaning shown when used anywhere in the Policy, even if the word or phrase is being used in the singular, plural, possessive or active or passive tense.

- A. **Application**. means the signed document provided by **us** or **our** agent to enable **you** to apply for this Policy. Whether submitted on-line, over the phone or on paper, including any attachments, coverage election, selection and rejection forms, and other materials or statements submitted in conjunction therewith. If this Policy is a renewal or replacement of a previous policy or policies issued by **us**. **Application** shall also include all signed applications and coverage election, rejection or selection forms and other materials that were submitted to **us** with the Application or any amendment thereof.
- B. **Bodily Injury**. means physical injury to or sickness or disease, and any resulting death therefrom, of a person, or mental injury, mental anguish, emotional distress, pain or suffering, or shock sustained by a person.
- C. **Claim**. means any written demand for **Damages** or for non-monetary relief to which this Policy applies.
- D. **Claim Expense**. means the following that are incurred by **us** or incurred by **you** with **our** prior written consent:
1. all reasonable and necessary fees, costs and expenses (including the fees of attorneys and experts) incurred in the investigation, adjustment, defense and appeal of a **Claim**; and
 2. premiums on appeal bonds, attachment bonds or similar bond. Provided, however, **we** shall have no obligation to apply for or furnish any such bonds.

Claim Expenses, shall not mean, and **we** shall not be obligated to pay:

1. salaries, wages or expenses other than **Supplemental Payments**; or
2. the defense of any criminal investigation, criminal grand jury proceeding, or criminal action.
3. the **Insured's** time, personal expenses and expense of copies of documents necessary for the investigation or defense of a **Claim**.

E. **Damages**, means a monetary judgment or monetary award that **you** are legally obligated to pay. This includes pre-judgment or post-judgment interest if awarded by a court of law or a monetary settlement negotiated by **us** with **your** consent.

Damages, shall not mean, and **we** shall not be obligated to pay:

1. fines, penalties, taxes, sanctions levied against **you**;
2. the return, reduction or restitution of fees, commissions, profits, or charges for goods provided or services rendered, including any over-charges or cost over-runs;
3. liquidated damages; or
4. the cost of complying with injunctive relief.

F. **Effective Control**, means:

1. ownership of more than 50% of the issued and outstanding voting securities or owner units; or
2. having the right to elect, appoint or designate a majority of the board of directors (or equivalent management structure).

G. **Insured**, means **you**.

H. **Named Insured**, means the individual, corporation, partnership, limited liability company, limited partnership, or other entity shown in the Declarations as the policyholder.

I. **Optional Extended Reporting Period**, means any applicable Optional Extended Reporting Period contemplated by the OPTIONAL EXTENDED REPORTING PERIOD Clause.

J. **Personal Injury**, means injury, other than **Bodily Injury**, arising out of one of more of the following offenses:

1. false arrest, detention or imprisonment;
2. malicious prosecution or humiliation, except humiliation maliciously inflicted by, at the direction of, or with the consent of the **Insured**;
3. wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of premises;
4. the publication or utterance of a libel or slander or other defamatory or disparaging material, except that which is maliciously published or uttered by, at the direction of, or with the consent of the **Insured**; or
5. a publication or utterance in violation of an individual's right of privacy, except that which is maliciously published or uttered by, at the direction of, or with the consent of the **Insured**; or
6. oral or written publication of material in connection with **your** advertising that violates a person's right of privacy.

- K. **Policy Period.** means when coverage exists. The period of time between the inception date and time shown in the Declarations and the end time and date of termination. Termination can be expiration, cancellation or nonrenewal of coverage. And, specifically excluding any Optional Extended Reporting Period.
- L. **Pollutants.** means any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and Waste. "Waste" includes, but is not limited to, hazardous materials, nuclear materials and materials to be recycled, reconditioned or reclaimed.
- M. **Professional Services.** means only those services and activities performed by or on behalf of the **Insured** shown in the Declarations or specified in an Endorsement.
- N. **Property Damage.** means physical loss of or physical damage to or destruction of any tangible property, including the loss of use thereof. For purposes of this definition, "tangible property" shall not include electronic data.
- O. **Retroactive Date.** means the retroactive date shown in the Declarations.
- P. **Subsidiary.** means:
1. any entity of which the **Named Insured** has Effective Control ("Controlled Entity") on or before the Policy Period, either directly or indirectly through one or more Controlled Entities;
 2. any entity of which the **Named Insured** forms or acquires Effective Control during the Policy Period. Either directly or indirectly through one or more Controlled Entities, but only for the first 90 days after such formation or acquisition (or until the end of the Policy Period, whichever is earlier). Provided, however, with respect to a **Subsidiary** described in paragraph 2. of this definition, **we** shall only cover **Claims** alleging **Wrongful Acts** committed while the **Named Insured** had **Effective Control** of such **Subsidiary**, either directly or indirectly through one or more Controlled Entities.
- An entity ceases to be a **Subsidiary** once the **Named Insured** no longer has **Effective Control** of such entity. Either directly or indirectly through one or more Controlled Entities, and this Policy will not respond to **Claims** made against such entity thereafter.
- Q. **Supplemental Payments.** means the reasonable expenses incurred by **you**, including loss of wages, if **you** are required by **us** to attend arbitration proceedings or trial in the defense of a covered **Claim**.
- R. **We, us,** and **our.** means the insurance company shown in the Declarations.
- S. **Wrongful Act.** means any actual or alleged breach of duty, negligent act, error, omission or **Personal Injury** committed by **you** in the performance of **your Professional Services**.
- T. **You** or **your.** mean:
1. The **named insured** shown in the Declarations;
 2. Any **subsidiary** of that **named insured**; and
 3. Any employee, partner, director, officer, member or board member (or equivalent position) of that **named insured** while acting in connection their performance of **Professional Services** on behalf of the business of the **named insured**.