

SERFF Tracking Number: PERR-125217017 State: Arkansas
Filing Company: New York Marine and General Insurance Company State Tracking Number: AR-PC-07-025564
Company Tracking Number: NYMG-OL-CPA-AR-07-01-F
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
Product Name: NYMG-OL-CPA-AR-07-01-F
Project Name/Number: NYMG-OL-CPA-AR-07-01-F /NYMG-OL-CPA-AR-07-01-F

Filing at a Glance

Company: New York Marine and General Insurance Company

Product Name: NYMG-OL-CPA-AR-07-01-F SERFF Tr Num: PERR-125217017 State: Arkansas
TOI: 17.1 Other Liability - Claims Made Only SERFF Status: Closed State Tr Num: AR-PC-07-025564
Sub-TOI: 17.1019 Professional Errors & Omissions Liability Co Tr Num: NYMG-OL-CPA-AR-07-01-F State Status:
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding
Authors: Ines Piquet, Lance Julian, Perr and Knight California, Addy Disposition Date: 11/21/2007
Date Submitted: 07/23/2007 Disposition Status: Approved
Effective Date Requested (New): 08/30/2007 Effective Date (New):
Effective Date Requested (Renewal): 08/30/2007 Effective Date (Renewal):

General Information

Project Name: NYMG-OL-CPA-AR-07-01-F Status of Filing in Domicile: Pending
Project Number: NYMG-OL-CPA-AR-07-01-F Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 11/21/2007 Deemer Date:
State Status Changed: 07/24/2007
Corresponding Filing Tracking Number: N/A
Filing Description:
On behalf of New York Marine and General Insurance Company ("the Company"), we are filing to introduce new and revised forms associated with their CPA GOLD Program. Please see the enclosed memorandum for details.

The Company respectfully requests that this filing be implemented for all policies on August 30, 2007 or the earliest possible date upon approval/acknowledgement.

SERFF Tracking Number: PERR-125217017 State: Arkansas
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TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions
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Product Name: NYMG-OL-CPA-AR-07-01-F
Project Name/Number: NYMG-OL-CPA-AR-07-01-F /NYMG-OL-CPA-AR-07-01-F

Enclosed is authorization for Perr&Knight to submit this filing on behalf of the Company. All correspondence related to this filing should be directed to Perr&Knight. The Company has prepared the forms contained in this filing along with the filing memorandum. If there are any requests for additional information related to items prepared by the Company, we will forward the request immediately to the Company contact. The Company response will be submitted to your attention as soon as we receive it.

We trust you will find this submission acceptable and as such look forward to your approval.

Please do not hesitate to contact us with any questions or comments.

Company and Contact

Filing Contact Information

(This filing was made by a third party - perrandknightactuaryconsultants)

Lance Julian, State Filings Project Coordinator doi@perrknight.com
881 Alma Real Drive ste 205 (888) 201-5123 [Phone]
Pacific Palisades, CA 90272 (310) 230-8529[FAX]

Filing Company Information

New York Marine and General Insurance CoCode: 16608 State of Domicile: New York
Company
919 THIRD AVENUE Group Code: 256 Company Type: Property &
Casualty
10TH FLOOR
NEW YORK, NY 10022 Group Name: State ID Number:
(212) 551-0728 ext. [Phone] FEIN Number: 13-2703894

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00

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Product Name: NYMG-OL-CPA-AR-07-01-F
Project Name/Number: NYMG-OL-CPA-AR-07-01-F /NYMG-OL-CPA-AR-07-01-F
Retaliatory? No
Fee Explanation: \$50 per form filing
Per Company: No

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
New York Marine and General Insurance Company	\$0.00	07/23/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
100809	\$50.00	07/19/2007

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	11/21/2007	11/21/2007

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Edith Roberts	07/26/2007	07/26/2007	Lance Julian	11/14/2007	11/14/2007

Industry
Response

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Accountants' Form Professional Liability Insurance Policy		Lance Julian	07/25/2007	07/25/2007

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Product Name: NYMG-OL-CPA-AR-07-01-F
Project Name/Number: NYMG-OL-CPA-AR-07-01-F /NYMG-OL-CPA-AR-07-01-F

Disposition

Disposition Date: 11/21/2007

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment: I would like to compliment you on your concise response! Thank you!

Rate data does NOT apply to filing.

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 Project Name/Number: NYMG-OL-CPA-AR-07-01-F /NYMG-OL-CPA-AR-07-01-F

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Filing Memorandum & Letter of Authorization	Approved	Yes
Supporting Document	Response to the DOI Concerns	Approved	Yes
Supporting Document	Policyholder Disclosure Notice	Approved	Yes
Supporting Document	Forms list	Approved	Yes
Form	Accountants' Professional Liability Insurance Policy Declarations	Approved	Yes
Form (revised)	Accountants' Professional Liability Insurance Policy	Approved	Yes
Form	Accountants' Professional Liability Insurance Policy	Approved	Yes
Form	Accountants' Professional Liability Insurance Policy Application	Approved	Yes
Form	Accountants' Professional Liability Insurance Supplements	Approved	Yes
Form	Accountants' Professional Liability Insurance Audit Supplement	Approved	Yes
Form	Accountants' Professional Liability Insurance Small Firm's Application	Approved	Yes
Form	Accountants' Professional Liability Insurance Single Sheet Supplement	Approved	Yes
Form	Aggregate Deductible Endorsement	Approved	Yes
Form	Reduced Deductible Endorsement	Approved	Yes
Form	Public Company Attest Exclusion Endorsement	Approved	Yes
Form	Claims Expenses in Addition to the Limit of Liability Endorsement	Approved	Yes
Form	Part-Time Practice Endorsement	Approved	Yes
Form	Client Identity Theft Endorsement	Approved	Yes
Form	General Counsel Endorsement	Approved	Yes
Form	Part-Time Legal Services Extension	Approved	Yes

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Liability
Product Name: NYMG-OL-CPA-AR-07-01-F
Project Name/Number: NYMG-OL-CPA-AR-07-01-F /NYMG-OL-CPA-AR-07-01-F
Endorsement
Form Arkansas State Amendatory Approved Yes
Endorsement

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Project Name/Number: NYMG-OL-CPA-AR-07-01-F /NYMG-OL-CPA-AR-07-01-F

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 07/26/2007
Submitted Date 07/26/2007
Respond By Date
Dear Lance Julian,

This will acknowledge receipt of the captioned filing.

With reference to both the dec page (Form NYA DC 01 (05/07)) and policy form (Form # NYA POL 01 (05/07)), these reference defense within the limits of liability. Pursuant to AR Code Anno. 23-79-307 (5) (A), defense must be in additional to the limit of liability and at least equal to the limit of liability.

Please refer to page 4, of the policy form, #6.2.2. and page 5, #6.3.4.2. which states the "you have paid all premiums" as a precedent to requesting the extended reporting period. You may not refuse the optional extended reporting period coverage if requested and premium is paid for that endorsement, for termination of the policy for any reason, including non-payment of premium or deductibles owed (AR Code Anno. 23-79-306 (3)).

Please refer to page 6, #6.5.2. which states the limit of liability for the optional extended reporting period is not reinstated. AR Code Anno. 23-79-306 (5) requires that the limit of liability for the optional extended reporting period be the greater of the amount remaining or reinstated to 50% of the expiring policy aggregate.

Please refer to page 13, #9.13.2. which states that arbitration is "final and binding". AR Code Anno. 23-79-203 (a) prohibits mandatory and binding arbitration. Arbitration must specifically state that it is "voluntary and non-binding."

With reference to Form 107a, it is mandatory pursuant to AR Code Anno. 23-79-307 (5) (A) that this coverage be defense outside the limits.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

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Response Letter

Response Letter Status Submitted to State
 Response Letter Date 11/14/2007
 Submitted Date 11/14/2007

Dear Edith Roberts,

Comments:

Response 1

Comments: Please find attached a response to the DOI concerns.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response to the DOI Concerns

Comment:

Satisfied -Name: Policyholder Disclosure Notice

Comment:

Satisfied -Name: Forms list

Comment:

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Arkansas State Amendatory Endorsement	NYAEN61	01/04	Endorsement/Amendment/Conditions	New		0	SAE.pdf

No Rate/Rule Schedule items changed.

Sincerely,

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Addy Anggelico, Ines Piquet, Lance Julian, Perr and Knight California

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Amendment Letter

Amendment Date:
 Submitted Date: 07/25/2007

Comments:

Please note we noticed the following typo's on the NYAPOL 01 form:
 On page 1 of Form NYAPOL 01 (05/07), 1.1.3 should be "your" not "you".
 On page 11 of Form NYAPOL 01 (05/07), 9.9 we forgot to remove the word "the".

As a result we are amending this filing by uploading the correct version of the form

Thanks for your consideration

Changed Items:

Form Schedule Item Changes:

Form Name	Form Number	Edition Date	Form Type	Action	Replaced Form #	Previous Filing #	Readability Score	Attachments
Accountants' Professional Liability Insurance Policy	NYAPOL 01	05/07	Policy/C overage Form	Replaced	NYAPOL 01	Not Available	0	NYAPOL 01.pdf

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Accountants' Professional Liability Insurance Policy Declarations	NYADC 01	05/07	Declaration Replaced s/Schedule	Replaced Form #:0.00 NYADC 01 Previous Filing #: Not Available		NYADC 01.pdf
Approved	Accountants' Professional Liability Insurance Policy	NYAPOL 01	05/07	Policy/Coverage Replaced Form	Replaced Form #:0.00 NYAPOL 01 Previous Filing #: Not Available		NYAPOL 01.pdf
Approved	Accountants' Professional Liability Insurance Policy Application	NYAPP 01	05/07	Application/ Replaced Binder/Enrollment	Replaced Form #:0.00 NYAPP01 Previous Filing #: Not Available		NYAPP 01.pdf
Approved	Accountants' Professional Liability Insurance Supplements	NYAPP 03	05/07	Application/ Replaced Binder/Enrollment	Replaced Form #:0.00 NYAPP03 Previous Filing #: Not Available		NYAPP 03.pdf
Approved	Accountants' Professional Liability Insurance Audit Supplement	NYAPP 03a	05/07	Application/ New Binder/Enrollment		0.00	NYAPP 03A.pdf
Approved	Accountants' Professional Liability Insurance Small Firm's Application	NYAPP 08	05/07	Application/ New Binder/Enrollment		0.00	NYAPP08.pdf
Approved	Accountants' Professional	NYAPP 09	05/07	Application/ New Binder/Enrollment		0.00	NYAPP09.pdf

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	Liability Insurance Single Sheet Supplement			llment		
Approved	Aggregate Deductible Endorsement	NYAEN 05a	05/07	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 NYAEN 05 Previous Filing #: Not Available	NYAEN 05A.pdf
Approved	Reduced Deductible Endorsement	NYAEN 05i	05/07	Endorsement/Amendment/Conditions New	0.00	NYAEN 05i.pdf
Approved	Public Company Attest Exclusion Endorsement	NYAEN 36ii	05/07	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 NYAEN 36 Previous Filing #: Not Available	NYAEN 36ii.pdf
Approved	Claims Expenses in Addition to the Limit of Liability Endorsement	NYAEN 107a	05/07	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 NYAEN 107 Previous Filing #: Not Available	NYAEN 107a.pdf
Approved	Part-Time Practice Endorsement	NYAEN 108	05/07	Endorsement/Amendment/Conditions New	0.00	NYAEN 108.pdf
Approved	Client Identity Theft Endorsement	NYAEN 110	05/07	Endorsement/Amendment/Conditions New	0.00	NYAEN 110.pdf
Approved	General Counsel Endorsement	NYAEN 113	05/07	Endorsement/Amendment/Conditions New	0.00	NYAEN 113.pdf
Approved	Part-Time Legal Services Extension Endorsement	NYAEN 114	05/07	Endorsement/Amendment/Conditions New	0.00	NYAEN 114.pdf



New York Marine and General
 Insurance Company
 919 Third Avenue
 New York, NY 10022

Accountants & Consultants Professional Liability Insurance Policy Declarations

(herein referred to as "us", "we" or "our")

THIS IS A CLAIMS MADE AND REPORTED POLICY. PLEASE REVIEW THE POLICY CAREFULLY.

NOTICE: EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS LIMITED TO LIABILITY FOR **COVERED ACTS** COMMITTED SUBSEQUENT TO THE **RETROACTIVE DATE**, IF APPLICABLE, FOR WHICH **CLAIMS** ARE FIRST MADE AGAINST **YOU** WHILE THE POLICY IS IN FORCE AND WHICH ARE REPORTED TO US NO LATER THAN SIXTY (60) DAYS AFTER THE TERMINATION OF THIS POLICY. THE COVERAGE OF THIS POLICY DOES NOT APPLY TO **CLAIMS** FIRST MADE AGAINST **YOU** AFTER THE TERMINATION OF THIS POLICY UNLESS, AND IN SUCH EVENT ONLY TO THE EXTENT, AN **EXTENDED REPORTING PERIOD** OPTION APPLIES.

POLICY NUMBER: «Policy_» Replacing: «Rnl_Of»
 Producer Code: «Sub»

1. Named Insured «Company»
 and Mailing Address: «ADDR1»
 «ADDR2»
 «CITY» «STATE» «ZIP»
2. Policy Period: from «Inception» to «Expiry»
 At 12:01 A.M. Standard Time at the address of the Named Insured as stated above.
3. Limits of Liability: «Limit» each Claim, but in no event exceeding
 «Agg_Limit» in the aggregate for all Claims
 Defense Expenses Coverage Option: «Separate_Limit» (select option a or b)
 - a. Reduce the available Limits of Liability
 - b. Are separate, and do not reduce the Limits of Liability
4. Deductible: A. «Deductible» each Claim, but in no event exceeding
 B. «Agg_Deduct» in the aggregate for all Claims
 Deductible Option: «Loss_Only» (select option a or b)
 - a. The Deductible amount specified above applies to both Damages and Defense Expenses
 - b. The Deductible amount specified above applies only to Damages
5. Retroactive Date: «Retro_date»
6. Annual Premium: «Premium»
7. Notice to insurer: New York Marine and General Insurance Company,
 919 Third Avenue, 10th floor, New York, NY 10022
8. Forms and endorsements attached at inception of coverage. Refer to schedule of forms.

NYAEN 00

NYAEN 01

NYAEN 40

Issued on: June 28, 2007 at Ridgewood, New Jersey


 for Jorgensen & Company
 Authorized Representative and Managers for The Professional
 Advisers Purchasing Group, Inc.

Countersigned at _____ by: _____

on: _____, _____

**ACCOUNTANTS & CONSULTANTS PROFESSIONAL LIABILITY
INSURANCE POLICY**

THIS POLICY IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO CLAIMS FIRST MADE AGAINST YOU AND REPORTED TO US IN WRITING UNLESS AN EXTENDED REPORTING PERIOD APPLIES. THE PAYMENT OF DEFENSE EXPENSES MAY REDUCE THE LIMIT OF LIABILITY.

PLEASE READ THE ENTIRE POLICY CAREFULLY.

Throughout this Policy the words “**we**”, “**us**” and “**our**” refer to the Company providing this insurance. Other words and phrases that appear in **bold** have special meaning. Refer to Section 8. DEFINITIONS.

In consideration of and subject to the payment of the premium, **your** agreement to pay the Deductible amount stated in the Declarations and described herein, and in reliance upon the particulars, statements, representations, attachments and exhibits contained in and submitted with the Application which shall be the basis of this Policy, and subject to all the terms, conditions, limitations and any endorsements to this Policy, **we** and **you** agree as follows:

1. INSURING AGREEMENTS

1.1. Professional Liability

We will pay on **your** behalf all sums in excess of the applicable Deductible amount stated in the Declarations that **you** become legally obligated to pay as **Damages** and associated **Defense Expenses** resulting from a **Claim** first made against **you** during the **Policy Period**, or **Extended Reporting Period**, if applicable, as a result of a **Covered Act** committed by **you**, provided that:

- 1.1.1 **you** report the **Claim** in writing to **us** as soon as practicable, but in no event later than sixty (60) days after expiration or termination of this Policy as permitted by Clause 6.1 of this policy, or during an Optional **Extended Reporting Period**, if applicable; and
- 1.1.2 the **Covered Act** was committed on or after the **Retroactive Date** and before the end of the **Policy Period**; and
- 1.1.3 prior to the inception date of this policy **you** did not have a basis to foresee that such **Covered Act** might reasonably be expected to give rise to a **Claim**, unless such **Claim** became known to **you** after the issue of **your** first Accountants and Consultants Professional Liability Insurance Policy by **us** as described in the Declarations Page and that has been continuously renewed by **us**.

1.2. Disciplinary Proceedings

Subject to a Limit of Liability of \$10,000, **we** will pay on **your** behalf **Defense Expenses** **you** incur responding to a **Disciplinary Proceeding** first commenced against **you** and reported to **us** in writing during the **Policy Period**, or an **Extended Reporting Period**, if applicable, as a result of a **Covered Act** committed by **you** on or after the **Retroactive Date**.

The Limit of Liability applicable to this insuring agreement is the maximum amount payable for the **Policy Period**, regardless of the number of **Disciplinary Proceedings** first commenced during the **Policy**

NEW YORK MARINE AND GENERAL INSURANCE COMPANY

Period or the number of **you** subject to **Disciplinary Proceedings** and is in addition to the Aggregate Limit of Liability as set forth in the Declarations. No Deductible shall apply to this insuring agreement.

1.3. Subpoena Expenses

Subject to a Limit of Liability of \$25,000 per policy period, **we** will pay on **your** behalf reasonable **Defense Expenses** incurred in responding to a subpoena for documents or testimony first received by **you** during the **Policy Period**, or an **Extended Reporting Period**, if applicable, resulting solely from **your** rendering or failing to render **Professional Services** and which has not resulted in a demand for **Damages** against **you**. **We** will, at **your** request, and upon receipt of a copy of the subpoena, retain an attorney to advise **you** regarding the document production and represent **you** during the preparation and giving of testimony.

Any notification **you** give **us** of such subpoena shall be deemed to be notification of a **Covered Acts** that may give rise to a **Claim** pursuant to Section 9.1.

Defense Expenses paid pursuant to this insuring agreement are in addition to the Aggregate Limit of Liability as set forth in the Declarations. No Deductible shall apply to this insuring agreement.

1.4 Expense Reimbursement

Subject to a Limit of Liability of \$500 each day and an aggregate of \$10,000 for the **Policy Period**, **we** will reimburse each of **you** for actual loss of earnings and reasonable expenses incurred when **you** attend a hearing, trial or arbitration proceeding at **our** request in the course of defending an otherwise covered **Claim**.

The aggregate Limit of Liability applicable to this insuring agreement is the maximum amount payable for the **Policy Period**, for all of **you** regardless of the number of **Claims**, and is in addition to the Aggregate Limit of Liability as set forth in the Declarations. No Deductible shall apply to this insuring agreement.

2. DEFENSE and LIMIT OF LIABILITY

2.1 Defense

We have the sole right to appoint defense counsel and the right and duty to defend any **Claim** made against **you**. We will consider any request for the appointment of qualified defense counsel made by **you**.

We shall not be obligated to pay any **Damages** or **Defense Expenses**, or to undertake or continue the defense of any **Claim** after the applicable Limit of Liability has been exhausted by payment of **Damages** or **Defense Expenses**, or the combined total of both.

We will not settle any **Claim** without **your** written consent. If **we** recommend a settlement to **you** that is acceptable to the claimant and **you** do not agree to the settlement, **our** liability is limited to the total of the amount of **Damages** for which the **Claim** could have been settled plus the amount of **Defense Expenses** incurred up to the time **we** made the settlement recommendation, which amount will not exceed the remainder of the Limit of Liability.

2.2 Limit of Liability

2.2.1 If option "a" of Item 3 of the Declarations to this Policy is selected [**Defense Expenses** are included in the Limit of Liability], then

NEW YORK MARINE AND GENERAL INSURANCE COMPANY

2.2.2 Each **Claim: Defense Expenses** are included in the Limit of Liability; therefore, **our** maximum liability for the combined total of all **Damages** and **Defense Expenses**, resulting from each **Claim** or **Related Claim** covered by this Policy shall be the Limit of Liability for each **Claim** set forth in Item 3 of the Declarations.

2.2.3 Aggregate: **Our** maximum aggregate liability for the combined total of all **Damages** and **Defense Expenses** resulting from all **Claims** or **Related Claims** covered by this Policy during the **Policy Period** shall be the aggregate Limit of Liability for all **Claims** set forth in Item 3 of the Declarations.

2.2.4 If option "b" of Item 3 of the Declarations to this Policy is selected [**Defense Expenses** are in addition to the Limit of Liability], **our** maximum liability for **Damages** shall be as set forth above in this Section 2 of this Policy; and there shall be an additional amount of **Defense Expenses** available for **Claims** covered under this Policy, equal to the amounts set forth in Item 3 of the Declarations, provided that the applicable Limits of Liability have not been exhausted by the payment of **Damages**.

2.2.5 prejudgment interest, where payable under this Policy is addition to the applicable Limit of Liability and not subject to the Deductible

2.3 **Related Claims:** Unless subject to coverage afforded by Clause 1.2. **Disciplinary Proceeding**, all **Related Claims** shall be deemed a single **Claim**, subject to a single each **Claim** Limit of Liability, if covered, and such **Claim** shall be considered first made on the date the earliest such **Related Claim** is first made against an **Insured**, regardless of whether such date is before or during the **Policy Period**.

3. CLAIM MITIGATION

Subject to the conditions described therein, **your** Deductible obligation may be subject to only one of the following:

3.1 If a **Claim** arises from an assignment in which **you** used an engagement letter that was signed prior to the **Covered Act** being committed, **your** Deductible obligation for such **Claim** shall be reduced by 50% up to a maximum reduction of \$10,000 each **Claim**, and \$25,000 in the aggregate for the **Policy Period**. This section 3.1 does not apply to audit or other attest services.

3.2 In the event a **Claim** is fully and finally resolved to the satisfaction of all parties, including **us**, as a result of **Alternative Dispute Resolution**, without resorting to litigation, **we** will waive **your** Deductible obligation for such **Claim** up to a maximum waiver of \$25,000 each **Claim**.

3.3 If within one year of being reported, or being deemed to have been made, in accordance with 9.1 of this Policy, a **Claim** is fully and finally resolved to the satisfaction of all parties, including **us**, and all **Damages** and **Defense Expenses** arising from such **Claim** have been paid, **your** Deductible obligation for such **Claim** shall be reduced by 25% up to a maximum reduction of \$25,000.

4. DEDUCTIBLE

4.1. If *Deductible Option "A"* of Item 4 of the Declarations is selected [Deductible Amount applies to **Damages** and **Defense Expenses**], **we** shall only be liable for those amounts payable hereunder for **Damages** and **Defense Expenses** that are in excess of the applicable *Deductible Amount* set forth in Item 4A of the Declarations.

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4.2. If *Deductible Option "B"* of Item 4 of the Declarations is selected [*Deductible Amount* applies to **Damages** only], **we** shall only be liable for those amounts payable hereunder for **Damages** in excess of the applicable *Deductible Amount* stated in Item 4A of the Declarations. The *Deductible Amount* does not apply to **Defense Expenses**.

You shall be liable for the *Deductible Amount* set forth in Item 4A of the Declarations for each **Claim**. The *Deductible Amount* shall apply separately to each **Claim** and shall be borne by **you**. For purposes of the *Deductible Amount*, **Related Claims** shall be considered one **Claim**, and only one *Deductible Amount* shall apply thereto.

Upon written request by **us**, **you** shall pay the *Deductible Amount* within thirty (30) days of the date of such request.

5. TERRITORY

The coverage afforded by this Policy applies worldwide.

6. EXTENDED REPORTING PERIODS

6.1 Automatic **Extended Reporting Period**

Without any additional premium being required **you** shall have sixty (60) days after the effective date of cancellation or, in the event of non-renewal, after the date upon which the **Policy Period** ends, to report any **Claim** first made against **you** during this sixty (60) day period. This Automatic **Extended Reporting Period** shall terminate, and **you** shall not be entitled to any such Automatic **Extended Reporting Period**, in the event that this insurance is replaced with the same or similar insurance issued by **us** or any other professional liability insurer, whether or not the terms, limits or deductibles are identical to those provided under this Policy. This Automatic **Extended Reporting Period** Option shall not be available if this Policy is canceled effective as of policy inception for non-payment of premium.

This Automatic **Extended Reporting Period** shall be included within the **Extended Reporting Periods** described in 6.2, 6.3 or 6.4, if such is purchased.

6.2 Optional **Extended Reporting Period**

If this Policy is canceled or non-renewed, **we** will offer, for an additional premium, an Optional **Extended Reporting Period**.

You may select an Optional **Extended Reporting Period** Option starting at the end of the **Policy Period** and lasting for one (1), three (3), five (5) years or an Unlimited Period. The additional premium for each Optional **Extended Reporting Period** Option below shall be calculated using the following percentages of the full expiring annual premium:

- 90% for the One (1) Year Option;
- 135% for the Three (3) Year Option;
- 150% for the Five (5) Year Option; or
- 200% for an Unlimited Option.

We will issue an Optional **Extended Reporting Period** endorsement only if:

6.2.1 **you** request it within sixty (60) days of the end of the **Policy Period**;

6.2.2 **you** have paid all premiums for this Policy at the time **you** request an Optional **Extended Reporting Period** Endorsement; and

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6.2.3 **you** promptly pay when due the additional premium for the endorsement.

During the Optional **Extended Reporting Period**, coverage under this Policy applies as excess over any valid and collectible insurance available under policies in force after such Optional **Extended Reporting Period** starts.

6.3 Retirement **Extended Reporting Period**

6.3.1 If, during the **Policy Period**, any of **you** permanently retire from practice for reasons not related to suspension or revocation of **your** professional license, or Death or Disability as described in 6.3.4 below, **we** will provide a Retirement **Extended Reporting Period** as set forth below.

6.3.2 The Retirement **Extended Reporting Period** will start with the date of **your** retirement and ends when one of the following occurs:

6.3.2.1 **you** resume professional practice; however, **you** may purchase, at **our** option, a Policy from **us** to reinstate full prior acts coverage;

6.3.2.2 any insurance is issued which replaces, in whole or in part, the coverage afforded by the Retirement **Extended Reporting Period**; or

6.3.2.3 the Limits of Liability have been exhausted.

6.3.3 The additional premium for this option shall be waived if **you** are an individual and have been continuously insured by **us** or via CPAGold™ under a professional liability insurance policy for at least:

6.3.3.1 seven consecutive years prior to such cancellation or nonrenewal, and are at least fifty-five (55) years of age at the time of retirement; or

6.3.3.2 six consecutive years prior to such cancellation or nonrenewal and are at least fifty-six (56) years of age at the time of retirement; or

6.3.3.3 five consecutive years prior to such cancellation or nonrenewal and are at least fifty-seven (57) years of age at the time of retirement.

6.3.4 **We** will issue a Retirement **Extended Reporting Period** endorsement only if:

6.3.4.1 **you** request the endorsement no more than sixty (60) days after the date of **your** retirement, or sixty (60) days after the end of the **Policy Period**, whichever is earlier. Such request must include written notification of retirement;

6.3.4.2 **you** have paid all premiums due for this Policy at the time **you** request a Retirement **Extended Reporting Period Endorsement**; and

6.3.4.3 **you** promptly pay when due the additional premium for the endorsement.

6.4 Death or Disablement **Extended Reporting Period**

6.4.1 If, during the **Policy Period**, any of **you** die or become totally and permanently disabled, **we** will extend a Death or Disablement **Extended Reporting Period** at no charge. Totally and permanently disabled means that **you** have become so disabled as to be completely prevented from rendering **Professional Services**, and such disability:

6.4.1.1 has existed for not less than ninety (90) consecutive days; and

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6.4.1.2 is expected to be continuous, total, and permanent.

6.4.2 The Death or Disablement **Extended Reporting Period** will start on the date **you** die or become totally and permanently disabled, and will end when one of the following occurs:

6.4.2.1 the executor or administrator of **your** estate has been discharged;

6.4.2.2 the total and permanent disability ends, whether or not **you** resume practice;

6.4.2.3 any insurance is issued which replaces, in whole or in part, the coverage afforded by the Death or Disablement **Extended Reporting Period**; or

6.4.2.4 the Limits of Liability have been exhausted.

6.4.3 **We** will issue a Death or Disablement **Extended Reporting Period** endorsement only if **you** or **your** representative request it no more than ninety (90) days after the date of **your** death or total permanent disability, or ninety (90) days after the end of the **Policy Period**, whichever is the later. Such request must include:

6.4.3.1 a copy of the certified death certificate; or

6.4.3.2 written proof, certified by **your** attending physician, of total permanent disability including the date it occurred;

6.5 Applicable to all **Extended Reporting Periods**

The **Extended Reporting Periods**:

6.5.1 do not change the scope of coverage provided. The **Extended Reporting Periods** only apply to **Claims** resulting from **Covered Acts** committed before the end of the **Policy Period** and on or after the **Retroactive Date**, if any, shown in the Declarations;

6.5.2 do not reinstate or increase the Limits of Liability, unless specifically agreed by **us** and an endorsement evidencing such reinstatement or increase of Limits of Liability is attached hereto. The Limits of Liability for any **Extended Reporting Period** shall be a part of and do not increase the Limit of Liability listed on the Declarations. These apply regardless of the number and type of **Extended Reporting Periods** issued, the number of **you**, or any other factors;

6.5.3 are not renewable; and

6.5.4 cannot, once in effect, be canceled. **We** need not return any part of the premium paid for any reason whatsoever.

7 EXCLUSIONS

This Policy does not apply to any **Claim** made against **you**:

7.1 for, based upon, or arising from any criminal, dishonest, fraudulent or malicious act or omission, deliberate misrepresentation, or any intentional or knowing violation of law; however, **we** will defend **you** under this Policy until it is determined by any trial verdict, court ruling, regulatory ruling or legal admission, whether appealed or not, that **you** did commit such a dishonest, fraudulent, criminal or malicious act or

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omission, or deliberate misrepresentation, or intentional or knowing violation of law. This exclusion does not apply to any of **you** who did not intentionally participate in committing such act or had no knowledge or reason to believe such an act, omission or violation of law was being committed, and who made proper disclosure after obtaining personal knowledge of such conduct;

7.2 for, based upon, or arising from **Bodily Injury**, emotional distress, mental anguish, sickness, disease or death of any person, loss of consortium, support, companionship or services of any kind resulting therefrom. However, this exclusion shall not apply to emotional distress and mental anguish arising solely from **Personal Injury** or **Bodily Injury** arising solely from **Professional Services** performed by **you**;

7.3 for, based upon, or arising from **Property Damage** including destruction or loss of use of tangible property. However, this exclusion does not apply to client records which are in **your** care, custody or control, or over which **you** are exercising physical control for any reason;

7.4 by any of **you** alleging discrimination by **you** on the basis of age, color, race, sex, sexual orientation, creed, national origin, or marital status;

7.5 for, based upon, or arising from any **Covered Act** in the rendering of or failure to render audit and review services performed for any organization, corporation, company, partnership or operation while **you** are an officer, director, general partner or manager of such entity, or where **you** or **your** spouse has more than a 10% equity position in such entity;

7.6 for, based upon or arising out of any act, error or omission by **you** solely in your capacity as an officer, director, partner, manager or employee of a business enterprise not part of **you**;

7.7 by any of **you** under this Policy against another of **you** under this Policy, unless such **Claim** arises solely out of **Professional Services** performed in an accountant-client relationship;

7.8 for, based upon, or arising from any **Covered Act** which has been the subject of any written notice given under any prior policy;

7.9 for, based upon, or arising from any obligation for which **you** or any carrier acting as the insurer may be liable under any workers' compensation, unemployment compensation, disability or pension benefits law, or any similar laws, including but not limited to, the Employment Retirement Income Security Act of 1974 and any amendments thereof. This exclusion does not apply to **Professional Services** performed in connection with such capacities or laws on behalf of any person or entity other than one of **you**;

7.10 for, based upon, or arising from **your** gaining, in fact, any personal profit or advantage to which **you** are not legally entitled, including misappropriation, commingling or defalcation of funds or property;

7.11 for, based upon, or arising from **your** capacity as a broker or dealer in securities as those terms are defined in Section 3(a)(4) and 3(a)(5) respectively, of the Securities Exchange Act of 1934, or any amendment thereto; or

7.12 for, based upon or arising out of or brought by a trust or estate if **you** are a beneficiary or distributee of such trust or estate.

8. DEFINITIONS

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8.1 **Affiliated Firm** means any person or entity with which **you** have entered into a professional relationship or agreement and which is performing **Professional Services** at **your** direction or on **your** behalf.

8.2 **Alternative Dispute Resolution** means the use of arbitration or non-binding mediation in a form approved by **us** in which a neutral panel or individual assists the parties in reaching their own settlement.

8.3 **Bodily Injury** means physical injury, sickness or disease sustained by an individual, including death resulting from any of these at any time.

8.4 **Claim** means:

8.4.1 a written or verbal demand received by **you** for **Damages** or injunctive relief arising out of a **Covered Act** committed by **you**; or

8.4.2 a **Disciplinary Proceeding** or subpoena but only to the extent of coverage provided by Insuring Agreements 1.2 and 1.3.

Claim does not include a criminal proceeding unless otherwise covered by Exclusions 7.1.

A **Claim** is considered first made when **you** receive notice of the **Claim** from a claimant or his legal representative, or when deemed to be made pursuant to 9.1 of this Policy.

8.5 **Covered Act** means any actual or alleged act, error, omission or **Personal Injury** committed in the rendering of or failure to render **Professional Services**.

8.6 **Damages** means a compensatory monetary amount for which **you** may be held legally liable, including prejudgment interest, judgments, awards, or settlements negotiated with our approval. **Damages** shall include punitive or exemplary damages or the multiple portion of any multiplied damage award if such damages are insurable pursuant to applicable law. **Damages** do not include:

8.6.1 fines or penalties levied against **you**; or

8.6.2 fines, sanctions, taxes, penalties or awards deemed uninsurable pursuant to any applicable law.

8.7 **Defense Expenses** means:

8.7.1 reasonable and necessary fees charged by an attorney(s) designated by **us** to defend a **Claim**; and;

8.7.2 all other fees, costs and charges, resulting from the investigation, adjustment, defense, and appeal of a **Claim**, if incurred by **us**, including premiums on appeal bonds, provided that **we** shall not be obligated to apply for or furnish such appeal bonds.

The determination by **us** as to the reasonableness of **Defense Expenses** shall be conclusive on **you**. **Defense Expenses** do not include salary charges, wages or expenses of any of **you** or **us**, except as provided by Section 1.4 of this Policy.

8.8 **Disciplinary Proceeding** means a proceeding before a state licensing board, peer review committee or governmental regulatory agency.

8.9 **Extended Reporting Period(s)** means the applicable period of time after the end of the **Policy Period** for reporting **Claims** arising out of **Covered Acts** committed or alleged to have been committed, prior to the end of the **Policy Period** and on or after the **Retroactive Date**, and otherwise covered by this Policy.

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8.10 **Predecessor in Business** means any firm or individual's practice which has ceased providing professional services for their own account and in their own name, and to whose assets or liabilities **you** are a successor in interest. **Predecessor in Business** includes, without limitation, any firm or individual practice merged or acquired by **you** during the **Policy Period**, provided details of such firm or individual practice are provided to **us** in writing as soon as reasonably practical, but in any event no later than the expiration of the **Policy Period**.

8.11 **Professional Services** means services performed or advice given by **you** to others provided that the remuneration for such services or advice, or a portion thereof, inures to **your** benefit (unless, with **your** consent and knowledge, such services or advice are provided Pro Bono). **Professional Services** shall include **your** activities performed on behalf of any professional institute or society or duly constituted standards board, and activities performed involving the process of peer review.

8.12 **Policy Period** means the period of time stated in Item 2 of the Declarations or any other period resulting from policy cancellation or amendment to this Policy.

8.13 **Personal Injury** means (a) false arrest, detention or imprisonment, covered entry or eviction, other invasion of private occupancy, or malicious prosecution; (b) the publication or utterance of libel, slander or other defamatory or disparaging materials, or a publication or an utterance in violation of an individual's right of privacy; (c) injury arising out of an offense occurring in the course of **your** advertising activities, including but not limited to, infringement of copyright, title, slogan, patent, trademark, trade dress, trade names, services marks or service number. **Personal Injury** also includes emotional distress and mental anguish arising from any of the above.

8.14 **Property Damage** means injury to tangible property, including all resulting loss of use of that property or loss of use of tangible property that is not physically injured.

8.15 **Retroactive Date** means the date specified in Item 5 of the Declarations or by endorsement to this Policy. This Policy shall only apply to **Claims** resulting from **Covered Acts** committed on or after that date.

8.16 **Related Claim** means all **Claims**, whether made against more than one of **you** or by more than one claimant, arising out of a single **Covered Act** or a series of **Covered Acts** that are causally connected.

8.17 **Subsidiary** means any entity in which **you** own more than 50% of the available stock or shares, either directly or indirectly, that performs **Professional Services** as otherwise covered by this Policy. This Policy only applies to **Covered Acts** arising from **Professional Services** performed by a **Subsidiary** on or after the **Retroactive Date** as appears in Item 5 of the Declarations, the date of formation by **you**, the date of merger or acquisition by **you**, or as otherwise stated by endorsement attaching to this Policy.

8.18 **You** and/or **your** means only the following:

- 8.18.1 the Named Insured designated in the Declarations, or by endorsement to this Policy;
- 8.18.2 any person who is, was, or hereafter becomes **your** partner, principal, officer, director, member, or employee, but only while acting on **your** behalf;
- 8.18.3 any of **your** present or former temporary or leased personnel, or a present or former subcontractor engaged by **you**, but only while acting on **your** behalf;
- 8.18.4 the heirs, executors, administrators, and legal representatives of any of **you**, in the event of the death, incapacity or bankruptcy of any of **you**, but only for **Covered Acts** committed prior to such death, incapacity or bankruptcy, and only to the extent **you** would have otherwise been provided coverage under this Policy;

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- 8.18.5 any **Subsidiary** or **Predecessor in Business** of **you**;
- 8.18.6 any **Affiliated Firm**;
- 8.18.7 the lawful spouse of any of **you** solely by reason of :
 - a spousal status, or;
 - b. a spouse's ownership interest in property or assets that are sought as recovery. This definition shall not apply to the extent a **Claim** alleges any wrongful act by such spouse.

9. CONDITIONS

9.1 Reporting of Covered Acts That May Give Rise To A **Claim**

If during the **Policy Period**, **you** become aware of a specific **Covered Act** that may reasonably be expected to give rise to a **Claim** against **you**, and if **you** report such specific **Covered Act** to **us** in writing during the **Policy Period**, then any **Claim** subsequently arising from such specific **Covered Act** duly reported in accordance with this paragraph shall be deemed under this Policy to be a **Claim** made during the **Policy Period**. Such written notice to **us** shall include:

- 9.1.1 particulars as to the reasons for anticipating such a **Claim**; and
- 9.1.2 the nature and dates of the alleged **Covered Act**; and
- 9.1.3 the alleged injuries or damages sustained; and
- 9.1.4 the names of potential claimants, if available; and
- 9.1.5 the manner in which **you** first became aware of the specific **Covered Act**.

9.2 Notice

In the event of a **Claim**, **you** shall as a condition precedent to the coverage afforded by this Policy:

- 9.2.1 immediately forward to **us** every demand, notice, summons or other process including institution of arbitration proceedings received by **you**; and,
- 9.2.2 give written notice containing particulars sufficient to identify **you** and the claimant and full information with respect to the time, place and circumstances of the event complained of, and the names and addresses of the injured and of available witnesses, to **us** as soon as practicable.

Notice of any **Claim** or specific **Covered Act** or all other notices under this Policy shall be given in writing to the address indicated in the Declarations.

9.3 Liberalization

If **we** adopt any revision that would broaden coverage under this Policy without additional premium at any time during the **Policy Period**, the broadened coverage: i) will immediately apply to this Policy beginning the effective date of the approval by the regulatory authorities of the state in which this Policy is issued or

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otherwise implemented by us; and ii) will not apply to **Claims** that were first made against **you** prior to the effective date of such revision.

9.4 Prohibition Of Voluntary Payments And Settlements Provision

With respect to any **Claim** covered under this Policy **you** shall not, except at **your** cost, make any payment, admit liability, settle any **Claim**, assume any obligation, agree to **Alternative Dispute Resolution** or any other means of resolution of any dispute, waive any rights or incur **Defense Expenses** without **our** prior written approval.

9.5 Cooperation

You shall cooperate with **us** and upon **our** request submit to examination and interrogation by **our** representative, under oath if required, and shall attend hearings and trials and assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and in the conduct of the defense of **Claims**.

9.6 Authorization

The first person or entity named in the Declarations Page agrees to act as the Named Insured with respect to the giving and receiving of all notices, the exercising of **Extended Reporting Periods**, the cancellation of this Policy, the payment of premiums and Deductible amounts, and receiving of any return premiums that may become due.

9.7 Subrogation

To the extent of any payment under this Policy, **we** shall be subrogated to all **your** rights of recovery therefor against any person, organization, or entity and **you** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. **You** shall do nothing after any loss to prejudice such rights.

9.8 Other Insurance

This Policy shall be excess over, and shall not contribute with, any other existing insurance, bond, indemnification plan or self-insurance program, unless such other insurance is specifically written to be excess of this Policy.

If it is determined that both this insurance and any other primary, excess or contingent insurance or self-insurance, apply to any **Claim** covered by this Policy on the same basis, **we** shall not be liable under this Policy for a greater proportion of the **Damages** and **Defense Expenses** than the applicable Limit of Liability under this Policy for such **Damages** and **Defense Expenses** bears to the total applicable Limit of Liability of all valid insurance whether or not collectible against such **Claims**.

9.9 Legal Action Against Us

A person or organization may bring a suit against **us** including, but not limited to, a suit to recover on an agreed settlement or a final judgment against **you**; **we** will not be liable for **Damages** or **Defense Expenses** that are not payable under this Policy or that are in excess of the applicable Limit of Liability. An agreed settlement means a settlement and release of liability signed by **us**, **you** and the claimant or the claimant's legal representative. No person or organization shall have any right under this Policy to join **us** in any action against **you** to determine **your** liability, nor shall **we** be impleaded by **you** or **your** legal representative.

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However, no action by any of **you** shall lie against **us** unless there has been full compliance with all of the terms of this Policy.

9.10 Coverage In Bankruptcy

Your personal bankruptcy or insolvency or that of **your** estate shall not relieve **us** of **our** obligations under this Policy.

9.11 Cancellation

- 9.11.1 **We** may cancel this Policy for non-payment of any premium when due by providing to the Named Insured written notice stating when, not less than, thirty (30) days thereafter, such cancellation shall be effective.
- 9.11.2 **We** shall refund the paid premium less the earned portion thereof within thirty (30) days of the latter of the effective date of cancellation or the date of the **your** notice of intent to cancel.
- 9.11.3 The earned portion of the premium shall be computed on the customary short-rate basis unless any state law or regulation of the state shown in the mailing address of the Named Insured on the Declarations Page requires that the return premium be computed on a pro-rata basis, even in the event of cancellation by the Named Insured.
- 9.11.4 Minimum premium shall not apply to the return of unearned premium if cancellation is by **us**.
- 9.11.5 The Named Insured may cancel this Policy on behalf of all of **you** by mailing **us** written notice stating when thereafter such cancellation will be effective. Notice of cancellation must be sent to **us** by certified mail to the address set forth in the Declarations. In such event, the earned premium will be computed in accordance with the customary short rate table and procedure. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
- 9.11.6 **We** will not be required to renew this Policy upon its expiration. If **we** elect not to renew this Policy, **we** will deliver or mail to the Named Insured written notice to that effect, including the reason(s) for such non-renewal, at least ninety (90) days before the Expiration Date stated in the Declarations.

9.12 Non-Renewal And Renewal Rate Increase Or Change In Policy Terms:

Non-Renewal: **We** will renew this Policy unless written Notice of **our** intent not to renew stating the specific reasons for nonrenewal, is mailed to the Named Insured not less than 90 days before this Policy expires. "Non-renewal" shall include the failure of **us** to offer a renewal policy, which provides types and limits of coverage substantially equivalent to those contained in the expiring policy.

Renewal Rate Increase Or Change In Policy Terms: If **we** increase **your** rate, change the deductible, reduce the limit, or reduce coverage at renewal, **we** will mail to the Named Insured at least sixty (60) days prior to the effective date of that increase or change: (a) written notice of any change in coverage; and, (b) the amount of our rate increase.

A rate increase is defined as any increase in premium except increase due to change in exposure (including claims-made step factors) rating plans based solely on **your** developed experience.

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9.13 Arbitration and Mediation

Should **we** disagree with **you** as to the interpretation or application of this Policy, including the appropriateness or value of any settlement or final disposition of any **Claim**, the dispute shall be resolved through the following procedure:

9.13.1 Mediation

The parties agree to first meet with a mediator appointed by the American Arbitration Association in a good faith effort to negotiate a resolution of the dispute. Mediation shall continue until resolution of the dispute, or the mediator notifies the parties that it is unlikely that the dispute will be resolved through mediation, or any party elects after a minimum of thirty (30) days of mediation effort to end mediation.

9.13.2 Arbitration

If the dispute is not resolved through mediation as described in 9.13.1 above, the dispute will be submitted to final and binding arbitration which, except as set forth below, shall be conducted in accordance with the rules of the American Arbitration Association. The arbitration panel shall consist of one arbitrator selected by **us**, one arbitrator selected by **you**, and one arbitrator selected by the two arbitrators. In the event that the two arbitrators selected cannot agree on a third arbitrator then the American Arbitration Association shall appoint an arbitrator. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

If acceptable to **us** and **you**, any dispute may, in lieu of binding arbitration, be submitted to another form of alternative dispute resolution.

9.14 Sending of Notices

Any notice of cancellation, nonrenewal or renewal premium increase or change in policy terms will be mailed by first class registered or certified mail to the first Named Insured at the last mailing address known to **us**. Proof of mailing will be sufficient proof of notice.

9.15 Innocent Insureds

Whenever coverage under any provision of this Policy would be excluded, suspended or lost because of noncompliance with the terms or conditions relating to the giving of notice to **us** of any **Claim** with respect to which any other of **you** shall be in default solely because of the default or concealment of such default by one or more of **you** responsible for the loss or damage otherwise covered hereunder, **we** agree that such insurance as would otherwise be afforded under this Policy shall apply with respect to those of **you** who did not personally commit or personally participate in committing one or more acts, errors or omissions described in such exclusion or condition; provided that if the condition be one with which **you** can comply, after receiving knowledge thereof, those of **you** entitled to the benefit of this condition shall comply with such condition promptly after obtaining knowledge of such noncompliance.

9.16 Conformity to Statute:

Notwithstanding anything contained herein to the contrary, in the event that any terms or conditions of this contract conflict with any law applicable to the coverage afforded hereunder, the terms of this contract shall by this statement, be amended to conform to such law or laws.

9.17 Declarations and Applications

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By acceptance of this Policy, **you** agree that the statements in the application(s) and any attachment(s) attached hereto and made a part hereof, and all information communicated by **you** to **us** are **your** agreements and representations, and all such communicated information shall be deemed material to **our** issuance of this Policy; and that this Policy is issued in reliance upon the truth of such representations that this Policy embodies all agreements existing between **you** and **us** or any of **our** agents relating to this insurance.

In Witness whereof, we have caused this Policy to be signed by its President and Secretary.



President



Secretary



ACCOUNTANTS AND CONSULTANTS PROFESSIONAL LIABILITY COVERAGE APPLICATION

CLAIMS MADE AND REPORTED COVERAGE – PLEASE READ ALL POLICY PROVISIONS

NOTICE: EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS LIMITED TO LIABILITY FOR COVERED ACTS COMMITTED SUBSEQUENT TO THE RETROACTIVE DATE, IF APPLICABLE, FOR WHICH CLAIMS ARE FIRST MADE AGAINST YOU WHILE THE POLICY IS IN FORCE AND WHICH ARE REPORTED TO US NO LATER THAN SIXTY (60) DAYS AFTER THE TERMINATION OF THIS POLICY. THE COVERAGE OF THIS POLICY DOES NOT APPLY TO CLAIMS FIRST MADE AGAINST YOU AFTER THE TERMINATION OF THIS POLICY UNLESS, AND IN SUCH EVENT ONLY TO THE EXTENT, AN EXTENDED REPORTING PERIOD OPTION APPLIES

Please fully answer all questions in ink. Complete all sections, including the appropriate supplements. If space is inadequate to answer all questions in full, please provide details on a supplemental sheet of paper.

Throughout this application the words “you” and “your” refer to the applicant herein and any subsidiary, partner, officer, director, member, covered independent contractor or employee of the applicant. The words “we”, “us” and “our”, refer to the insurance company to which this application is made.

New York policyholders: This policy is written on a claims-made basis and unless otherwise states on the Declarations Page, contains no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated on the Declarations Page. This policy covers only claims actually made against the insured 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 purchases Additional Extended Reporting Period coverage.

There may be coverage gaps that may arise upon expiration of such extended reporting period. During the first several years of the claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial increases, independent of overall rate level increases, until the claims-made relationship reaches maturity. The premium charged for the Additional Extended Reporting Period coverage is based on a percentage of the premium stated herein and provides a variety of additional time periods in which to report claims.

WARNING – COLORADO, FLORIDA, HAWAII, KENTUCKY, LOUISIANA, MAINE, NEW JERSEY, NEW MEXICO, NEW YORK, OHIO, OKLAHOMA, PENNSYLVANIA AND VIRGINIA RESIDENTS ONLY.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act which is a crime and may be subject to fines and confinement in prison (for New York residents only: and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation). (For COLORADO residents only: Any insurance company or agent of an insurance company who knowingly provide false, incomplete or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance with the Department Regulatory Authority Agencies). (For Hawaii residents only: For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss is a crime punishable by fines or imprisonment, or both). (For LOUISIANA residents only: Any person who knowingly presents a false or fraudulent claim for payment of a loss or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison).

PLEASE ENSURE THAT THE APPROPRIATE SUPPLEMENTS ARE COMPLETED AND ATTACHED.

5. How many of **your** professional staff have completed loss control education in the past 3 years? _____ # staff
(please provide certificates of completed loss control classes).

6. a). Have **you** undergone a peer or quality review? YES NO

Date of review: month: _____ year: _____ **Unqualified?** YES NO

Date of next review: month: _____ year: _____

(If qualified or modified, please forward a copy of report and details of corrective action).

b). Are all statements of financial condition, balance sheets and reports signed by an owner, officer, partner, principal, shareholder, member or managing member of **you**? YES NO

c). Are all work papers indexed to reflect what was done, when and by whom? YES NO

d). Do **you** maintain a system to ensure timely completion of reports, filings and tax returns? YES NO

e.) Do you have a formal policy for destruction of documents YES NO

7. a). Please provide the approximate percentages of income received from the following activities for the last fiscal year:

Activity:	%	^[1]
Audit: publicly traded entities ^[2] :		<input type="checkbox"/>
Audit (not-for-profit):		<input type="checkbox"/>
Audit (all other):		<input type="checkbox"/>
Review:		<input type="checkbox"/>
Compilation:		<input type="checkbox"/>
Bookkeeping:		<input type="checkbox"/>
Taxation:		<input type="checkbox"/>
Trustee Services ^[3] :		<input type="checkbox"/>
Personal Financial Planning ^[4] :		<input type="checkbox"/>

Activity:	%	^[1]
M. A. S.		<input type="checkbox"/>

Please Describe in Detail* :

Information Technology:		<input type="checkbox"/>
Business Valuation:		<input type="checkbox"/>
ERISA/Pension Plans/TPA:		<input type="checkbox"/>
SEC/Sarbanes Oxley Services ^[2] :		<input type="checkbox"/>
Other Services:		<input type="checkbox"/>

Please Describe in Detail* :

TOTAL: 100

[1] Please check if engagement letters used.
Deductible reduction may be granted.

[2] Complete the Securities supplement.

[3] Complete the Trustee supplement.

[4] Complete the Personal Financial Planning supplement.

* Please use separate letterhead for descriptions

TOTAL: 100 %

8. Do engagement letters contain an alternative disputes resolution or mediation clause? YES NO

9. Other than Life Insurance or non-funded Trusts, do any of **you** perform any duties as a trustee? YES NO

10. Do any of **you** perform any duties as an executor or administrator of an estate? YES NO

11. Do any of **you** have discretionary authority to manage, pay bills or invest clients' funds? YES NO

If the response to questions 9, 10 or 11 is "YES", please answer additional questions on the primary supplement.

12. Do **you** have an employee dishonesty insurance policy or bond, which covers theft of client funds? YES NO

13. In the past 5 years has any member of **your** firm had a professional license suspended or revoked?
If "Yes" please attach details. YES NO

14. For consideration of additional risk management premium credits, please provide the following:

Provide details of risk reduction and loss prevention techniques **you** currently use:

• **Engagement letters are updated:**

Annually for all engagements Annually for attest engagements As engagement changes Evergreen

Other : please explain: _____

• **There is a second person/partner review of:**

Attest services Tax services All services

Other : please explain: _____

• **Use checklist (as approved by AICPA, PPC, other):**

• **Client screening procedures:**

New clients Existing clients Both

Other : please explain: _____

• **Use of other risk management procedures (please describe):**

15. Complete if any percentage of your practice includes Non-SEC Audit Engagements [or check if not applicable

Business	%
Private Companies	
Government:	
ERISA/Pension Plan:	
Non-Profit:	
Other (describe below)	

Total: 100%

Business by Type	%
Manufacturing:	
Retail:	
Construction:	
Service:	
Government /School District:	
Hospital/Medical:	
Financial Institution:	
Non Profit	
Other	

Total: 100%

16. Do you provide personal tax services to any individual client that has an annual income in excess of \$10,000,000? YES NO
17. Do you provide attest services to any private company with annual sales of more than \$250,000,000.00 YES NO
18. In the past year did any single client represent more than 15 percent of total annual billing? YES NO

If the response is "Yes" to Question 16, 17 or 18 above please provide additional details

Name:	Years as client:	Services rendered:	Engagement letter used:
			YES <input type="checkbox"/> NO <input type="checkbox"/>
			YES <input type="checkbox"/> NO <input type="checkbox"/>
			YES <input type="checkbox"/> NO <input type="checkbox"/>

19. Within the past five (5) years, have any of **you** provided services *other than personal tax returns* to a client while acting as an officer, director, partner or manager of such client or have any of **you** or a spouse had or currently have an equity or financial interest in a client that is greater than 10%? YES NO

If “Yes” to 19 above, complete the information below for each client:

Client:	Equity % Held:	Fees earned \$:	Position:	Services:	Disclosure of conflict:
					YES <input type="checkbox"/> NO <input type="checkbox"/>
					YES <input type="checkbox"/> NO <input type="checkbox"/>
					YES <input type="checkbox"/> NO <input type="checkbox"/>

20. Other than in connection with *personal tax returns*, within the past three (3) years have **you** sued to collect fees? YES NO

If “Yes”, provide information below for each client:

Client:	Fee amount:	Date of suit:	Services Rendered:	Status:

21. Other than in connection with activities as a receiver or trustee in bankruptcy, in the past year have you performed attest services for any of **your** business clients that have declared or filed for bankruptcy, defaulted on a bond issue, or become insolvent subsequent to the rendering of such services? YES NO

If “Yes” to 21 above please provide details on a separate sheet.

22. Within the past five (5) years have **you** provided:

- a). Professional Services to a Public Traded Company? YES NO
- b). Professional Services in connection with securities offerings, registration or sale of securities? YES NO
- c). Forecasts, projections, etc., to sellers or promoters of investments for inclusion in a prospectus or Securities sales literature? YES NO
- d). Are **you** registered with the Public Company Accounting Oversight Board? YES NO

If “Yes” to 22 a), b), c) or d) above, complete the entire Securities Supplement

- e). **Professional Services** in connection with any investment syndication or tax shelter, including investment partnerships designed for tax shelters? YES NO

If “Yes” to 22 e) above please provide full details on a separate sheet

23. a). Within the past five (5) years have any claims or incidents been notified to an insurance company or legal actions been brought against **you** alleging a failure to perform **professional services**? YES NO

- b). After inquiry, do any of **you** for which coverage is requested, have knowledge of any act, error or omission, fee dispute, client bankruptcy, incident or other circumstance, including the receipt of a subpoena, that is or could be the basis for a claim under this proposed insurance policy? YES NO

If “Yes” to either 23 a) or b) above, complete the claims supplement for each claim or circumstance.

24. a). **Either** attach a copy of your current policy declarations page and any endorsements **or** provide details of professional liability insurance history for the past five years:

Period: From: To:	Insurer:	Limit: (each loss/aggregate)	Deductible:	Premium:
to		\$ / \$	\$	\$
to		\$ / \$	\$	\$
to		\$ / \$	\$	\$
to		\$ / \$	\$	\$
to		\$ / \$	\$	\$

b) Have **you** ever purchased an extended reporting period endorsement? YES NO

If "Yes", provide expiration date of the extended reporting period: _____

c) What is the prior acts limitation/retroactive date on **your** current policy? _____

25. Effective date of coverage: _____

26. Limits of Liability and Deductible requested:

Limit of Liability: (each claim/annual aggregate)	
Separate limit for Defense Expense:	<input type="checkbox"/> <i>check</i>
Each Claim: \$ _____.	
Aggregate: \$ _____.	

Deductible:	
Deductible applicable to Damages Only:	<input type="checkbox"/> <i>check</i>
Each Claim: \$ _____.	
Aggregate: \$ _____.	

REPRESENTATION: It is represented to **us**, that the information contained herein is true and that it shall be the basis of the policy of insurance and deemed incorporated therein, should **we** evidence its acceptance of this application by issuance of a policy. The undersigned hereby authorize the release of claim information from any prior insurer to the insurer.

Except to such extent as may be provided otherwise in the policy, the policy for which application is being made is limited for **ONLY THOSE CLAIMS FIRST MADE AGAINST YOU** while the policy is in force.

FRAUD PREVENTION - GENERAL WARNING

NOTICE: Any person who knowingly, or knowingly assists another, files an application for insurance or claim containing any false, incomplete or misleading information for the purpose of defrauding or attempting to defraud an Insurance Company may be guilty of a crime and may be subject to criminal and civil penalties and loss of insurance benefits.

NOTICE TO ARKANSAS APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit, or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO CALIFORNIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the Company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any Insurance Company or agent of an Insurance Company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: Warning: it is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony in the third degree.

NOTICE TO IDAHO APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any Insurance Company, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO INDIANA APPLICANTS: Any person who knowingly and with the intent to defraud an insurer files a statement of claim containing any false, incomplete or misleading information commits a felony.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with the intent to defraud any Insurance Company or other person files an application for insurance containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINE APPLICANTS: It is a crime to provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the Company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MICHIGAN APPLICANTS: Any person who knowingly and with intent to injure or defraud any insurer submits a claim containing any false, incomplete or misleading information shall upon conviction, be subject to imprisonment for up to one year for a misdemeanor conviction or up to ten years for a felony conviction and payment of a fine of up to \$5,000.

NOTICE TO MINNESOTA APPLICANTS: A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO NEVADA APPLICANTS: Pursuant to NRS 686A.291, any person who knowingly and willfully files a statement of claim that contains any false, incomplete or misleading information concerning a material fact is guilty of a felony.

NOTICE TO NEW HAMPSHIRE APPLICANTS: Any person who, with purpose to injure, defraud or deceive any Insurance Company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO LOUISIANA AND NEW MEXICO APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance or statement of claims containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with the intent to defraud any Insurance Company or other person files an application for insurance or statement of claim containing any fact materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO TENNESSEE & VIRGINIA APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an Insurance Company for the purpose of defrauding the Company.. Penalties include imprisonment, fines and denial of insurance benefits.

I agree that signing this form will permit Jorgensen & Company as managers for **CPAGold™** or their agents to send emails relating to your coverage to the party identified in Item 1. of this application, and their designees.

Signature of Applicant* _____ Date: _____
Title: _____ Firm: _____

***SIGNING THIS FORM DOES NOT BIND YOU OR US TO COMPLETE THE INSURANCE.**

Agent: _____

Producer: _____



Personal Financial Planning Services Supplement:

1. Have **you** formed a separate business entity to provide Personal Financial Planning Services: YES NO

If "YES", Please describe: _____

2. Do you secure separate errors & omissions coverage with your broker/dealer? YES NO

3. Do you desire coverage for these services? YES NO

4. Sources of income from Financial Planning and Investment Advisory Services:

	<u>Last year:</u>	<u>Current year:</u>
Fee based assets management including wrap-up fees:	\$ _____	\$ _____
Commissions and/or contingency fees:	\$ _____	\$ _____
Hourly fees and/or retainers:	\$ _____	\$ _____
Other compensation, referral fees or reciprocity*:	\$ _____	\$ _____

* Please describe: _____

5. Activity analysis:

- Referrals to Third Party investment advisors including broker/dealers: YES NO
- Preparation of written financial plans: YES NO
- Recommendation of individual mutual funds: YES NO
- Recommendation of individual stocks, bonds or other investments: YES NO
- Provide portfolio management services: YES NO
- Non-discretionary asset management: YES NO
- Discretionary asset management: YES NO
- Place insurance coverage or annuities: YES NO
- Recommendation of stocks, bonds or other investments: YES NO
- Discretionary Authority to invest client funds (if "Yes", please describe): YES NO
- Other financial planning or investment advice (describe): YES NO

6. Broker/Dealer activities

Are **you** a registered representative/account executive for a broker/dealer? YES NO

Name of firm member: _____ Name of Broker/dealer _____

7. Are **you** registered as an investment advisor? YES NO

Please specify: _____

8. Do **you** have any professional qualifications specific to financial planning? YES NO

Name of firm member: _____ Qualification: _____

9. Provide the value of total funds under asset/portfolio management: \$ _____ and # clients: _____

10. Do **you** invest client funds in limited partnerships or other investments in which **you** have a financial or other interest? YES NO

11. Do **you** require a signed engagement letter or contract updated annually describing the client's investment goals and the services **you** will perform? YES NO

If "NO", please explain: _____

Signature by/for Applicant: _____ Date: _____

Trustee Services Supplement:

1. Please provide the following information for each Trust. DO NOT complete a supplement for Life Insurance Trusts and/or Non-funded Trusts.

Name of Trustee		Name of Trust		
Date of Appointment	Trust Assets	Annual Trust Income	# Of beneficiaries	Type of Trust
	\$	\$		

2. Is there a written Trust Agreement or other form of engagement in place where the duties/authorities of the Trustee are clearly stated? YES NO

If "NO", please explain: _____

3. Services, (please check applicable boxes): bookkeeping bill payment tax return preparation
Please provide details of any other professional services rendered: _____

4. Revenue for Trustee Services is included in the total gross revenues stated in Question 4a YES NO

If the response is "no", please explain: _____

5. The fee arrangement for the Trust is determined by:

Trust Agreement Direct billing to Trust Other (describe): _____

6. Does the Trustee engage in any of the following activities:

Use of Trust funds to invest in entities in which the Trustee, **you** or a related individual have an interest or management role? YES NO

If "YES", please explain: _____

Employment (other than professional services) by the Trust of **you** or **your** associates? YES NO

If "YES", please explain: _____

Use of Trust funds as loans to the Trustee, **your** owners or employees? YES NO

If "YES", please explain: _____

Delegation of any Trustee duties to others? YES NO

If "YES", please describe the procedures in place to monitor the acts of others performing Trustee Services: _____

7. Please answer the following questions in regard to discretionary authority:

Do you have discretionary authority to make individual securities investments on behalf of the Trust? YES NO

If "YES", please explain: _____

Do you employ the services of a professional money manager or investment adviser? YES NO

If "NO", please explain: _____

If applicable, are all investment goals and portfolio composition described in the Trust agreement? YES NO

If "NO", please explain: _____

Signature by/for Applicant: _____ Date: _____

Non-Trustee Discretionary authority/control of client funds Supplement:

1. Please provide the following information for each client where you provide business management service or have discretionary authority to handle client funds (use a separate sheet if necessary).

<i>Name of Client:</i>		<i>Client's Business or Profession:</i>		
Date of Appointment:	Client Assets:	Amount of client funds controlled:		
	\$	\$		

Please describe specific duties:

2. Would you consider any of these clients an 'entertainment or 'sports personality'? YES NO
 If YES, please describe:

3. Do you:

a. Use a dual signature control procedure on disbursement of funds? YES NO

b. Ensure all client bank accounts are reconciled by someone other than the firm personnel authorized to deposit or withdraw from the client's account? YES NO

If "NO", please describe: _____

c. Receive compensation based on any method other than hourly fees? YES NO

If "YES", please describe: _____

4. Please answer the following questions in regard to discretionary authority:

a. Do you have discretionary authority to make individual securities or other investments on behalf of the client? YES NO

If "YES", please explain: _____

b. Do you employ the services of a professional money manager or investment adviser? YES NO

If "YES", please explain: _____

c. If applicable, are all investment goals and portfolio composition described in the engagement letter? YES NO

If "NO", please explain: _____

5. Please answer the following questions in regard to Employee Dishonesty Insurance:

a. Do you maintain an employee dishonesty policy in connection with discretionary authority engagements? YES NO

If yes to the above, please answer questions 5b and 5c:

b. Is the coverage endorsed on your firm's business owners' policy, (BOP), package? YES NO

c. Does your firm have a separate policy form for employee dishonesty coverage? YES NO

***If separate coverage is maintained please attach a copy of the policy declarations page for employee dishonesty coverage.*

Signature by/for Applicant: _____

Date: _____



Audit Supplement:

Please complete all sections. If the practice area does not apply to **you** please write "N/A" for that section. Please use a separate addendum if more space is needed for your responses. The Claim Supplement and Securities Supplement is available separately from **your** agent/broker if applicable.

Audit Services

Complete if any percentage of your practice includes Non-SEC Audit Engagements

Business	%
Private Companies	
Government:	
ERISA/Pension Plan:	
Non-Profit:	
Other (describe below)	

Total: **100%**

Business by Type	%
Manufacturing:	
Retail:	
Construction:	
Service:	
Government /School District:	
Hospital/Medical:	
Financial Institution:	
Non Profit	
Other	

Total: **100%**

Internal Risk Management Procedures

For consideration of additional risk management premium credits, please provide the following:

Provide details of risk reduction and loss prevention techniques **you** currently use:

• **Engagement letters are updated:**

Annually for all Annually for attest As engagement Evergreen
engagements engagements changes

Other : please explain: All engagement letters (contracts)are NASD regulated _____

• **There is a second person/partner review of:**

Attest services Tax services All services

Other : please explain: _____

• **Use checklist (as approved by AICPA, PPC, other):**

• **Client screening procedures:**

New clients Existing clients Both

Other : please explain: _____

• **Use of other risk management procedures (please describe):**

Signature by/for Applicant: _____

Date: _____



ACCOUNTANTS AND CONSULTANTS PROFESSIONAL LIABILITY COVERAGE APPLICATION

CLAIMS MADE AND REPORTED COVERAGE – PLEASE READ ALL POLICY PROVISIONS

NOTICE: EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS LIMITED TO LIABILITY FOR COVERED ACTS COMMITTED SUBSEQUENT TO THE RETROACTIVE DATE, IF APPLICABLE, FOR WHICH CLAIMS ARE FIRST MADE AGAINST YOU WHILE THE POLICY IS IN FORCE AND WHICH ARE REPORTED TO US NO LATER THAN SIXTY (60) DAYS AFTER THE TERMINATION OF THIS POLICY. THE COVERAGE OF THIS POLICY DOES NOT APPLY TO CLAIMS FIRST MADE AGAINST YOU AFTER THE TERMINATION OF THIS POLICY UNLESS, AND IN SUCH EVENT ONLY TO THE EXTENT, AN EXTENDED REPORTING PERIOD OPTION APPLIES

Please fully answer all questions in ink. Complete all sections, including the appropriate supplements. If space is inadequate to answer all questions in full, please provide details on a supplemental sheet of paper.

Throughout this application the words "you" and "your" refer to the applicant herein and any subsidiary, partner, officer, director, member, covered independent contractor or employee of the applicant. The words "we", "us" and "our", refer to the insurance company to which this application is made.

New York policyholders: This policy is written on a claims-made basis and unless otherwise states on the Declarations Page, contains no coverage for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date stated on the Declarations Page. This policy covers only claims actually made against the insured 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 purchases Additional Extended Reporting Period coverage.

There may be coverage gaps that may arise upon expiration of such extended reporting period. During the first several years of the claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial increases, independent of overall rate level increases, until the claims-made relationship reaches maturity. The premium charged for the Additional Extended Reporting Period coverage is based on a percentage of the premium stated herein and provides a variety of additional time periods in which to report claims.

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PLEASE ENSURE THAT THE APPROPRIATE SUPPLEMENTS ARE COMPLETED AND ATTACHED.

Professional Liability Insurance Renewal Application for Small Firms.



Note: This application is for small firms only (expiring annual premium is less than \$5,000.00). If, in the past five years, your firm has provided any of the following services, or if any of the following applies to you, please immediately notify your agent and request a standard CPAGold™ application:

- Professional Services to a Public Traded Company
-Report of a Claim, Incident and/or Subpoena
-Any Member of your Firm has had a Professional License Suspended or Revoked

1. Name of Applicant: _____
Contact: _____ E-mail Address: _____
Mailing Address: _____
Telephone #: _____ Fax #: _____
URL: http://_____ Date Established: _____

Individual: [] Corporation: [] Partnership: [] LLC/LLP: [] Other: [] _____

List any associations in which your firm is a member _____

- 2. If the insured has changed the name of the firm, merged with or acquired another firm within the last 12 months, please provide full details, including professional liability insurance history of merged/acquired firms. No Change []
3. Details of Professional Staff: Defined as any employee, (full time, part time or per-diem) with at least a 4-year degree in Accounting or other related field and/or who provides services which are billable to clients. Continue on a separate sheet if necessary.

Table with 5 columns: Name, Date of hire [1], Designation [2], For Part-time staff state average # hours worked per week, List all Professional Designations and Licenses Held

[1] If the individual has been with you more than 5 years insert the words: "FULL" in this column.
[2] Designation code: O - owners, officers, directors, partners, principals, shareholders, members or managing members.
C - Certified Public Accountants E - All other professional employees

4. Number of professional staff involved in the following activities:
Real Estate Agents: _____ Life Insurance Agents: _____ Registered Representatives: _____
Please attach a copy of the policy declarations page for any specific professional liability coverage for these activities.
Is coverage desired for these activities via CPAGold™? YES [] NO []

5. Your total gross revenues in the last filed tax return, excluding recovered expenses:
\$ _____ for the period ending: (month) _____ (year) _____

6. Have you undergone a peer or quality review in the last twelve months? YES [] NO []
Date of review: (month) _____ (year) _____ Unqualified? YES [] NO []

7. Do engagement letters contain an alternative disputes resolution or mediation Clause? YES [] NO []
(If "YES"; please attach a sample copy of your engagement letter which includes such clause)

8. How many professional staff have completed an approved loss control education in the past year? _____ # staff



(please provide certificates of completion for each staff member)

9. Please provide the approximate percentages of income received from the following activities for the last fiscal year:

Activity	%	^[1]	Activity	%	^[1]
Audit: (Non-Profit) ^[2] :		<input type="checkbox"/>	Information Technology:		<input type="checkbox"/>
Audit: (All Other) ^[2] :		<input type="checkbox"/>	Business Valuation:		<input type="checkbox"/>
Review:		<input type="checkbox"/>	Personal Financial Planning ^[3] :		<input type="checkbox"/>
Taxation:		<input type="checkbox"/>	Fiduciary/Trustee Services ^[4] :		<input type="checkbox"/>
Bookkeeping:		<input type="checkbox"/>	M.A.S.:		<input type="checkbox"/>
Compilation/Write Up:		<input type="checkbox"/>	Other Services ^[5] :		<input type="checkbox"/>
Litigation Support:		<input type="checkbox"/>			

^[1] Please indicate, in column provided, with an "X" if engagement letters are used

^[2] Complete the Audit Supplement

^[3] Complete the Personal Financial Planning Supplement

^[4] Complete the Trustee Supplement

^[5] On firm letterhead, please provide a detailed description of the services you provide.

10. Other than Life Insurance or non-funded Trusts, do any of **you** perform any duties as a trustee? YES NO

11. Do any of **you** perform any duties as an executor or administrator of an estate? YES NO

12. Do any of **you** have discretionary authority to manage, pay bills or invest clients' funds? YES NO

If the response to questions 10, 11 or 12 is "YES", please answer additional questions on the Trustee's supplement

13. Within the past year, have any of **you** provided services *other than personal tax returns* to a client while acting as an officer, director, partner or manager of such client or have any of **you** or a spouse had or currently have an equity or financial interest in a client that is greater than 10%? YES NO

If "YES", complete the information below. Use a separate sheet if necessary.

Client:	Equity % Held:	Fees Earned \$:	Position Held:	Services Rendered:	Disclosure of Conflict provided (Yes/No):

14. Other than in connection with *personal tax returns*, within the past year have **you** sued to collect fees? YES NO

If "YES", provide information for each client

15. Other than in connection with activities as a receiver or trustee in bankruptcy, in the past year have you performed attest services for any of **your** business clients that have declared or filed for bankruptcy, defaulted on a bond issue, or become insolvent subsequent to the rendering of such services? YES NO

If "YES", please provide details on a separate sheet.

16. After inquiry, do any of **you** for which coverage is requested, have knowledge of any act, error or omission, fee dispute, client bankruptcy, incident or other circumstance this is or could be the basis for a claim under this proposed insurance policy? YES NO

If "YES", please complete the Claims Supplement for each claim or circumstance.

REPRESENTATION: It is represented to **us**, that the information contained herein is true and that it shall be the basis of the policy of insurance and deemed incorporated therein, should **we** evidence its acceptance of this application by issuance of a policy. The undersigned hereby authorize the release of claim information from any prior insurer to the insurer.

Except to such extent as may be provided otherwise in the policy, the policy for which application is being made is limited for **ONLY THOSE CLAIMS FIRST MADE AGAINST YOU** while the policy is in force.



FRAUD PREVENTION - GENERAL WARNING

NOTICE: Any person who knowingly, or knowingly assists another, files an application for insurance or claim containing any false, incomplete or misleading information for the purpose of defrauding or attempting to defraud an Insurance Company may be guilty of a crime and may be subject to criminal and civil penalties and loss of insurance benefits.

NOTICE TO ARKANSAS APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit, or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO CALIFORNIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the Company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any Insurance Company or agent of an Insurance Company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: Warning: it is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony in the third degree.

NOTICE TO IDAHO APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any Insurance Company, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO INDIANA APPLICANTS: Any person who knowingly and with the intent to defraud an insurer files a statement of claim containing any false, incomplete or misleading information commits a felony.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with the intent to defraud any Insurance Company or other person files an application for insurance containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINE APPLICANTS: It is a crime to provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the Company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MICHIGAN APPLICANTS: Any person who knowingly and with intent to injure or defraud any insurer submits a claim containing any false, incomplete or misleading information shall upon conviction, be subject to imprisonment for up to one year for a misdemeanor conviction or up to ten years for a felony conviction and payment of a fine of up to \$5,000.

NOTICE TO MINNESOTA APPLICANTS: A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO NEVADA APPLICANTS: Pursuant to NRS 686A.291, any person who knowingly and willfully files a statement of claim that contains any false, incomplete or misleading information concerning a material fact is guilty of a felony.

NOTICE TO NEW HAMPSHIRE APPLICANTS: Any person who, with purpose to injure, defraud or deceive any Insurance Company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.



NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO LOUISIANA AND NEW MEXICO APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance or statement of claims containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with the intent to defraud any Insurance Company or other person files an application for insurance or statement of claim containing any fact materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO TENNESSEE & VIRGINIA APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an Insurance Company for the purpose of defrauding the Company.. Penalties include imprisonment, fines and denial of insurance benefits.

I agree that signing this form will permit Jorgensen & Company as managers for **CPAGold™** or their agents to send emails relating to your coverage to the party identified in Item 1. of this application, and their designees.

Signature of Applicant* _____ Date: _____
Title: _____ Firm: _____

***SIGNING THIS FORM DOES NOT BIND YOU OR US TO COMPLETE THE INSURANCE.**

Agent: _____

Producer: _____



NAME OF APPLICANT: _____

Details of professional staff: (please list all professionally qualified staff - continue on a separate sheet, if necessary)

Name:	Date applicant joined firm [1]:	Designation [2]:	Full-time/Part-time:	For Part-time staff state average # hours worked per week:

[1] If the individual has been with the applicant (or a predecessor, merged or acquired firm) more than 5 years insert the words: "FULL PRIOR ACTS" in this column.

[2] Designation code: O – owners, officers, partners, principles, shareholders, members or managing members.
C- CPA's, other than listed as O E – all other professional employees

1. Within the past five (5) years have you provided:

- a. Professional Services to a Public Traded Company? YES NO
- b. Professional Services in connection with securities offerings, registration or sale of securities? YES NO
- c. Forecasts, projections, etc., to sellers or promoters of investments for inclusion in a prospectus or Securities sales literature? YES NO
- d. Are you registered with the Public Company Accounting Oversight Board? YES NO
- e. Professional Services in connection with any investment syndication or tax shelter, including investment partnerships designed for tax shelters? YES NO

2. Within the past five (5) years:

- a. has any partner, officer, owner or employee of the firm, been subject to an accounting license suspension or authority to practice accounting revocation, been subject to any disciplinary action by any state board of accounting, AICPA, or state society; or any fine, reprimand or criminal penalty related to performance of professional services? YES NO
- b. Other than in connection with activities as a receiver or trustee in bankruptcy, in the past year have you performed attest services for any of your business clients that have declared or filed for bankruptcy, defaulted on a bond issue, or become insolvent subsequent to the rendering of such services? YES NO

If you have checked "YES" to any of the above, please provide a full description.

- 3. Have there been any claims or suits brought against you, a predecessor firm, or any current or past officers, owners, or employed accountants thereof during the past five (5) years; or are there any circumstances which may result in a claim being made against me/the firm, its predecessors, or current or past partners, officers or owners? YES NO

If "YES" complete a claims supplement and provide a current loss run. YES NO

- 4. Does the firm enforce the use of engagement letters for all new clients and current clients where attestation services are performed? YES NO

If "NO", please provide a full description. YES NO

- 5. Do you or any of your employees have access to client funds or client payroll accounts? YES NO

- 6. Other than in connection with personal tax returns, within the past three (3) years have you sued to collect fees? YES NO

Date firm was established: _____ Current prior acts date: _____

Please attach a copy of the DECLARATIONS PAGE from your current professional liability policy.

Signed: _____ Date: _____
Owner, Partner, Officer or Member.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AGGREGATE DEDUCTIBLE ENDORSEMENT

Endorsement forming part of and attaching to this Policy as stated below:

The third paragraph of Section 4 DEDUCTIBLE is amended to include the following:

Your maximum liability for the Deductible Amount for all **Claims** first made during the **Policy Period** shall be the Aggregate Deductible Amount set forth in item 4B of the Declarations

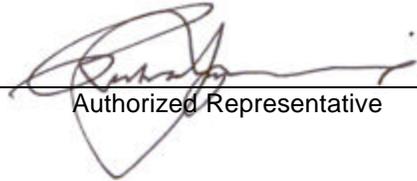
All other terms and conditions of this Policy remain unchanged.

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:



Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REDUCED DEDUCTIBLE ENDORSEMENT

Endorsement forming part of and attaching to this Policy as stated below.

1. The following is added to Section 4 DEDUCTIBLE:

If during each *continuous* year of coverage **you** do not notify **us** of any **Claims** or report a **Covered Act** that may give rise to a **Claim** as defined in CONDITIONS 9.1 of the Policy, **we** shall reduce **your** deductible as stated in Item 4 DEDUCTIBLE of **your** current Declarations page by 10% percent per year and **we** will continue to offer a 10% reduction for each year you remain claims free with **us** up to a maximum of a 50% percent reduction of the deductible amount in item 4 of **your** current declarations page. This deductible reduction applies for the first **claim** made and any subsequent **claims** are subject to the standard deductible as stated in item 4. DEDUCTIBLE of **your** current Declarations.

All other terms and conditions of this Policy remain unchanged.

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:


Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PUBLIC COMPANY ATTEST EXCLUSION ENDORSEMENT
(This exclusion does not apply to Benefit Plan/Employee Retirement Plan audits)**

Endorsement forming part of and attaching to this Policy as stated above.

Section 7. EXCLUSIONS is amended to add the following:

for, based upon or arising out of the audit of corporate financial statements for a publicly traded company performed *and* reported under the Public Company Accounting and Oversight Board Standards , or any services in connection with a private, syndication, bond offering, stock floatation or initial public offering of stock of a publicly traded company by **you** .

All other terms and conditions of this Policy remain unchanged.

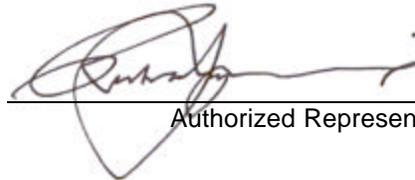
Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:



Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIMS EXPENSES IN ADDITION TO THE LIMIT OF LIABILITY ENDORSEMENT

Endorsement forming part of and attaching to this Policy as stated above.

Effective **/**/**** this Policy is amended as states below and the stated premium is due.

2.2 **Limit of Liability** is deleted and replaced by the following:

2.2 **Limit of Liability**

2.2.1 If option "a" of Item 3 of the Declarations to this Policy is selected [**Defense Expenses** are included in the Limit of Liability], then

2.2.2 Each **Claim: Defense Expenses** are included in the Limit of Liability; therefore, **our** maximum liability for the combined total of all **Damages** and **Defense Expenses**, resulting from each **Claim** or **Related Claim** covered by this Policy shall be the Limit of Liability for each **Claim** set forth in Item 3 of the Declarations.

2.2.3 Aggregate: **Our** maximum aggregate liability for the combined total of all **Damages** and **Defense Expenses** resulting from all **Claims** or **Related Claims** covered by this Policy during the **Policy Period** shall be the aggregate Limit of Liability for all **Claims** set forth in Item 3 of the Declarations.

2.2.4 If option "b" of Item 3 of the Declarations to this Policy is selected [**Defense Expenses** are in addition to the Limit of Liability], **our** maximum liability for **Damages** shall be as set forth in this Section 2 of this Policy; and there shall be an additional amount of **Defense Expenses** available for **Claims** covered under this Policy, equal to the lesser of the amounts set forth in Item 3 of the Declarations or \$1,000,000 for each loss and in the aggregate, provided that the applicable Limits of Liability have not been exhausted by the payment of **Damages**.

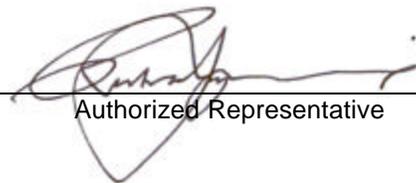
All other terms and conditions of this Policy remain unchanged.

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:


Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PART-TIME PRACTICE ENDORSEMENT

Endorsement forming part of and attaching to this Policy as stated above.

1. Section 8.11 is deleted in its entirety and replaced by the following:

8.11 **Professional Services** means services performed or advice given by you to other provided that the remuneration for such services or advice, or a portion thereof, inures to **your** benefit. Such services or advice shall be provide **PART-TIME** and will not constitute your full-time occupation.

8.19 **Part-time Professional Services** is defined as less than 1040 annual hours per year.

2. Section 7 is amended to add the following additional exclusions:

This Policy does not apply to any **Claim** made against **you**:

7.13 for, based upon, or arising from peer review and/or accreditation activities performed by **you**;

7.14 for, based upon, or arising from any audit services performed by **you**, including the certification or offering of any opinion in connection therewith;

7.15 for, based upon, or arising from financial advice, investment advice or asset management services performed by **you**;

Exclusion 7.5 is deleted in its entirety and replaced by the following:

7.5 (1) for, based upon, or arising from any **Covered Act** in the rendering of or failure to render **Professional Services** performed for any organization, corporation, company, partnership or operation while **you** are an officer, director, general partner or manager of such entity, or where **you** or **your** spouse have an equity position in such entity;

3. The second paragraph of Section 6.2 is deleted in its entirety and replaced by the following:

You may select an Optional **Extended Reporting Period** Option starting at the end of the **Policy Period** and lasting for one (1) or three (3) years. The additional premium for each Optional **Extended Reporting Period** Option below shall be calculated using the following percentages of the full expiring annual premium:

100 % for the One (1) Year Option;

200% for the Three (3) Year Option;

All other terms and condition of this Policy remain unchanged.

Policy Number:

Name Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLIENT IDENTITY THEFT ENDORSEMENT

Endorsement forming part of and attaching to this Policy as stated above.

The following is added to 1. INSURING AGREEMENTS

1.5 Client Identity Theft

Subject a Limit of Liability of \$10,000 per person and an aggregate of \$100,000, we will reimburse **you** for any sums **you** become legally obligated to pay as **Damages** arising from the loss or theft of personal information or data about any client which is in **your** care, custody or control. This includes, without limitation, loss or theft from any computer, computer system, network or website that is in **your** care, custody or control.

The aggregate Limit of Liability applicable to this insuring agreement is the maximum amount payable for the **Policy Period**, for all of **you** regardless of the number of **Claims**, and is in addition to the Aggregate Limit of Liability as set forth in the Declarations. No Deductible shall apply to this insuring agreement.

In respect to coverage afforded by this endorsement only the definition of damages 8.6 is deleted and replaced with the following:

8.6 **Damages** means a compensatory monetary amount for which **you** may be held legally liable, including any costs associated with correcting, monitoring and safeguarding personal identities that **you** have a legal liability to protect from identity theft.

Damages shall include punitive or exemplary damages or the multiple portion of any multiplied damage award if such damages are insurable pursuant to applicable law. **Damages** do not include:

8.6.1 fines or penalties levied against **you**; or

8.6.2 fines, sanctions, taxes, penalties or awards deemed uninsurable pursuant to any applicable law.

In respect to coverage afforded by this endorsement only exclusion 7.3 is deleted and replaced with the following:

7.3 for, based upon, or arising from **Property Damage** including destruction or loss of use of tangible property. However, this exclusion does not apply to client records, information or personal data which is in **your** care, custody or control, or over which **you** are exercising physical control for any reason;

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

Endorsement Effective Date:



Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL COUNSEL ENDORSEMENT

Endorsement forming part of and attaching to this Policy as stated above.

Section 8.11 is amended to add the following:

Professional Services shall also mean services of the following named individual(s) as in-house counsel, general counsel or internal attorney on **your** behalf but only in respect to management, operations, administration and compliance of the Named Insured, including without limitation, services in connection with the defense or initiation of legal proceedings against **you** or on **your** behalf.

Attorney:

The following exclusion is added to the policy:

Any **claim** arising out of legal services performed by **you** in your sole capacity as an attorney for a fee.

All other terms and conditions of this Policy remain unchanged.

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:



Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PART-TIME LEGAL SERVICES EXTENTION

Endorsement forming part of and attaching to this Policy as stated above.

The 8.11 **Professional Services** is amended to include the following:

Professional Services also means services performed or advice given by **you** in your sole capacity as a lawyer.

In regard to your services performed or advice given by **you** as a lawyer only, the following exclusions are added to the policy:

1. Arising out of, based upon, attributable to the activities performed by an **Insured** as a public official or as an employee of a governmental body, subdivision, or agency thereof, unless the **Insured** is employed solely to render **Professional Services** and the remuneration for the **Professional Services** is rendered, directly or indirectly, to **you**.
2. Arising out of, based upon, attributable to, or alleging defects in title not disclosed by public record of which the **Insured** had knowledge at the date of issuance of such title.
3. Arising out of, based upon, attributable to notary services **you** provide in which the notarization occurred without the signor being present.
4. Arising out of, based upon, attributable, or alleging to a violation or alleged violation of the Securities Act of 1933 as amended, or the Securities Exchange Act of 1934 as amended, or any state securities law or similar state or federal statute, and any issued regulation or order.
5. Arising out of, based upon, attributable, or alleging to **your** activities and/or in **your** capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, its amendments and any issued regulation or order.
This exclusion does not apply if **you** are deemed to be a fiduciary solely because of legal advice rendered or that should have been rendered with respect to an employee benefit plan.
6. Any **claim** made by any **Insured** against **you** which does not arise out of **professional services** rendered or which should have been rendered in a lawyer-client relationship.

For the purposes of this endorsement, the **Retroactive Date** is the date set forth below. If no date is set forth below, then the prior acts date is the date set forth on the Declarations, if any.

_____ at 12:01 a.m.

All other terms and conditions of this Policy remain unchanged.

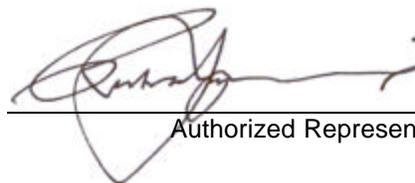
Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:



Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS STATE AMENDATORY ENDORSEMENT

Endorsement forming part of and attaching to this Policy as stated above.

1. Subsections 6.2.2 and 6.3.4.2 of Section 6., EXTENDED REPORTING PERIODS, are hereby deleted in their entirety.
2. Subsection 6.5.2 of Section 6., EXTENDED REPORTING PERIODS is hereby deleted and replaced with the following:

6.5.2 will have a Limit of Liability in an amount equal to the remainder of the expiring policy aggregate or reinstated to fifty percent (50%) of the original Limit of Liability, whichever is greater;
3. Subsection 9.13.2, Arbitration, of Section 9.13, Arbitration and Mediation, is hereby revised as follows:

9.13.2 Arbitration

If the dispute is not resolved through mediation as described in 9.13.1 above, and if acceptable to **you**, the dispute will be submitted to final and non-binding arbitration which, except as set forth below, shall be conducted in accordance with the rules of the American Arbitration Association. The arbitration panel shall consist of one arbitrator selected by **us**, one arbitrator selected by **you**, and one arbitrator selected by the two arbitrators. In the event that the two arbitrators selected cannot agree on a third arbitrator then the American Arbitration Association shall appoint an arbitrator. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

If acceptable to **you**, any dispute may, in lieu of binding arbitration, be submitted to another form of alternative dispute resolution.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number:

Named Insured:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

Authorized Representative

SERFF Tracking Number: PERR-125217017 *State:* Arkansas
Filing Company: New York Marine and General Insurance *State Tracking Number:* AR-PC-07-025564
Company
Company Tracking Number: NYMG-OL-CPA-AR-07-01-F
TOI: 17.1 Other Liability - Claims Made Only *Sub-TOI:* 17.1019 Professional Errors & Omissions
Liability
Product Name: NYMG-OL-CPA-AR-07-01-F
Project Name/Number: NYMG-OL-CPA-AR-07-01-F /NYMG-OL-CPA-AR-07-01-F

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: PERR-125217017 State: Arkansas
 Filing Company: New York Marine and General Insurance State Tracking Number: AR-PC-07-025564
 Company Tracking Number: NYMG-OL-CPA-AR-07-01-F
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions
 Liability
 Product Name: NYMG-OL-CPA-AR-07-01-F
 Project Name/Number: NYMG-OL-CPA-AR-07-01-F /NYMG-OL-CPA-AR-07-01-F

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 11/21/2007

Comments:

Attachments:

2007 NAIC PCTD.pdf
 2007 NAIC FFS.pdf

Satisfied -Name: Filing Memorandum & Letter of Authorization **Review Status:** Approved 11/21/2007

Comments:

Attachments:

Filing Authorization.pdf
 Filing Memo.pdf

Satisfied -Name: Response to the DOI Concerns **Review Status:** Approved 11/21/2007

Comments:

Attachment:

Response to DOI concerns.pdf

Satisfied -Name: Policyholder Disclosure Notice **Review Status:** Approved 11/21/2007

Comments:

Attachment:

Policyholder Disclosure Notice.pdf

Satisfied -Name: Forms list **Review Status:** Approved 11/21/2007

SERFF Tracking Number: PERR-125217017 *State:* Arkansas
Filing Company: New York Marine and General Insurance *State Tracking Number:* AR-PC-07-025564
Company
Company Tracking Number: NYMG-OL-CPA-AR-07-01-F
TOI: 17.1 Other Liability - Claims Made Only *Sub-TOI:* 17.1019 Professional Errors & Omissions
Liability
Product Name: NYMG-OL-CPA-AR-07-01-F
Project Name/Number: NYMG-OL-CPA-AR-07-01-F /NYMG-OL-CPA-AR-07-01-F

Comments:

Attachment:

Forms List.pdf

Property & Casualty Transmittal Document

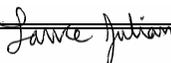
1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 5px;"> <tr> <td style="width: 50%; text-align: center;">New Business</td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: center;">Renewal Business</td> <td></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
New York Marine & General Group	256

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
New York Marine and General Insurance Company	NY	16608	13-2703894	NY

5. Company Tracking Number	NYMG-OL-CPA-AR-07-01-F
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Lance Julian 888 Alma Real Dr., Ste. Pacific Palisades, CA 90272	State Filings Analyst	888-201-5123 X149	310-230-8529	doi@perrknight.com
7.	Signature of authorized filer				
8.	Please print name of authorized filer		Lance Julian		

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	17.000 Other Liability
10. Sub-Type of Insurance (Sub-TOI)	17.0019 Professional Errors and Omissions Liability
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	CPA Gold
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: Approval/Acknowledgement Renewal:
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	07/23/2007
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #	NYMG-OL-CPA-AR-07-01-F
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21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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On behalf of New York Marine and General Insurance Company ("the Company"), we are filing to introduce new and revised forms associated with their CPA GOLD Program. Please see the enclosed memorandum for details.

The Company respectfully requests that this filing be implemented for all policies on August 30, 2007 or the earliest possible date upon approval/acknowledgement.

Enclosed is authorization for Perr&Knight to submit this filing on behalf of the Company. All correspondence related to this filing should be directed to Perr&Knight. The Company has prepared the forms contained in this filing along with the filing memorandum. If there are any requests for additional information related to items prepared by the Company, we will forward the request immediately to the Company contact. The Company response will be submitted to your attention as soon as we receive it.

We trust you will find this submission acceptable and as such look forward to your approval.

Please do not hesitate to contact us with any questions or comments.

22. Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: 100809

Amount: \$50.00

\$50 per form filing

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	NYMG-OL-CPA-AR-07-01-F			
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	N/A			
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state

01	Accountants' Professional Liability Insurance Policy Declarations	NYADC 01 (05/07)	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	NYADC 01 (01/04)	Not Available
02	Accountants' Professional Liability Insurance Policy	NYAPOL 01 (05/07)	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	NYAPOL 01 (01/04)	Not Available
03	Accountants' Professional Liability Insurance Policy Application	NYAPP 01 (05/07)	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	NYAPP 01 (01/04)	Not Available
04	Accountants' Professional Liability Insurance Supplements	NYAPP 03 (05/07)	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	NYAPP 03 (01/04)	Not Available
05	Accountants' Professional Liability Insurance Audit Supplement	NYAPP 03a (05/07)	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither		
06	Accountants' Professional Liability Insurance Small Firm's Application	NYAPP 08 (05/07)	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither		
07	Accountants' Professional Liability Insurance Single Sheet Supplement	NYAPP 09 (05/07)	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither		
08	Aggregate Deductible Endorsement	NYAEN 05a (05/07)	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	NYAEN 05 (01/04)	Not Available
09	Reduced Deductible Endorsement	NYAEN 05i (05/07)	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither		
10	Public Company Attest Exclusion Endorsement	NYAEN 36ii (05/07)	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	NYAEN 36 (01/04)	Not Available
11	Claims Expenses in Addition to the Limit of Liability Endorsement	NYAEN 107a (05/07)	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	NYAEN 107 (07/04)	Not Available
12	Part-Time Practice Endorsement	NYAEN 108 (05/07)	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither		
13	Client Identity Theft Endorsement	NYAEN 110 (05/07)	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither		

FORM FILING SCHEDULE *(Continued)*

(This form must be provided **ONLY** when making a filing that includes forms)
(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	NYMG-OL-CPA-AR-07-01-F			
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	N/A			
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state

14	General Counsel Endorsement	NYAEN 113 (05/07)	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither		
15	Part-Time Legal Services Extension Endorsement	NYAEN 114 (05/07)	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither		
16			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		
17			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		
18			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		
19			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		
20			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		
21			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		
22			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		
23			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		
24			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		
25			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		
26			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		

New York Marine And General Insurance Company

919 Third Avenue – 10th Floor
New York, NY 10022
212-551-0600

June 22, 2007

**Re: New York Marine and General Insurance Company
NAIC Number 16608, FEIN 13-2703894
Accountants' Professional Liability**

To Whom It May Concern:

Perr&Knight is hereby authorized to submit the enclosed form filing on behalf of New York Marine and General Insurance Company. This authorization includes providing additional information and responding to questions regarding the filing on our behalf as necessary. This authorization is deemed to be in effect until rescinded in writing.

Please direct all correspondence and inquiries related to this filing to Perr&Knight at the following address:

State Filings Department
Perr&Knight
881 Alma Real Drive, Suite 205
Pacific Palisades, CA 90272
Phone: (310) 230-9339
Fax: (310) 230-8529

Please contact me if you have any questions regarding this authorization.

Very truly yours,



Beth I. Pasternack
Vice President and Associate General Counsel
212-551-0728

**New York Marine and General Insurance Company
CPAGold Program**

**Accountants' Professional Liability
Forms Filing Memorandum**

With this forms filing, New York Marine and General Insurance Company ("NY MAGIC") proposes the addition of eight new forms as well as the revision of seven forms previously approved.

Enclosed with this filing are the new and revised forms to be used with the program. Here are descriptions of the form revisions and/or new forms:

- **NYAPOL 01 (05/07) – Accountants' Professional Liability Policy:**

PLEASE NOTE THIS POLICY IS SUBJECT TO ANY STATE AMENDATORY ENDORSEMENT PREVIOUSLY AGREED WITH YOUR DEPARTMENT. Changes are underlined.

This revised document corrects some errors, cures various anomalies in the previous policy and enhances coverage by making the following changes:

1.1.1 **you** report the **Claim** in writing to **us** as soon as practicable, but in no event later than sixty (60) days after expiration or termination of this Policy as permitted by Clause 6.1 of this policy, or during an Optional Extended Reporting Period, if applicable; and

1.1.3 prior to the inception date of this policy **you** did not have a basis to foresee that such **Covered Act** might reasonably be expected to give rise to a **Claim**, unless such **Claim** became known to **you** after the issue of **your** first Accountants and Consultants Professional Liability Insurance Policy by **us** as described in the Declarations Page and that has been continuously renewed by **us**.

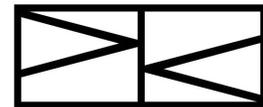
1.2. Disciplinary Proceedings

Subject to a Limit of Liability of \$10,000, **we** will pay on **your** behalf **Defense Expenses you** incur responding to a **Disciplinary Proceeding** first commenced against **you** and reported to **us** in writing during the **Policy Period**, or an **Extended Reporting Period**, if applicable, as a result of a **Covered Act** committed by **you** on or after the **Retroactive Date**.

The Limit of Liability applicable to this insuring agreement is the maximum amount payable for the **Policy Period**, regardless of the number of **Disciplinary Proceedings** first commenced during the **Policy**

1.3. Subpoena Expenses

Subject to a Limit of Liability of \$25,000 per policy period, **we** will pay on **your** behalf reasonable **Defense Expenses** incurred in responding to a subpoena for documents or



testimony first received by **you** during the **Policy Period**, or an **Extended Reporting Period**, if applicable, resulting solely from **your** rendering or failing to render **Professional Services** and which has not resulted in a demand for **Damages** against **you**. **We** will, at **your** request, and upon receipt of a copy of the subpoena, retain an attorney to advise **you** regarding the document production and represent **you** during the preparation and giving of testimony.

2.2.1 If option "a" of Item 3 of the Declarations to this Policy is selected [**Defense Expenses** are included in the Limit of Liability], then

2.2.4 If option "b" of Item 3 of the Declarations to this Policy is selected [**Defense Expenses** are in addition to the Limit of Liability], **our** maximum liability for **Damages** shall be as set forth above in this Section 2 of this Policy; and there shall be an additional amount of **Defense Expenses** available for **Claims** covered under this Policy, equal to the amounts set forth in Item 3 of the Declarations, provided that the applicable Limits of Liability have not been exhausted by the payment of **Damages**.

2.2.5 prejudgment interest, where payable under this Policy is in addition to the applicable Limit of Liability and not subject to the Deductible

2.3 **Related Claims:** Unless subject to coverage afforded by Clause 1.2. Disciplinary Proceeding, all **Related Claims** shall be deemed a single **Claim**, subject to a single each **Claim** Limit of Liability, if covered, and such **Claim** shall be considered first made on the date the earliest such **Related Claim** is first made against an **Insured**, regardless of whether such date is before or during the **Policy Period**.

3. CLAIM MITIGATION

Subject to the conditions described therein, **your** Deductible obligation may be subject to only one of the following:

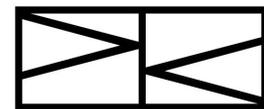
4. DEDUCTIBLE

4.1. If Deductible Option "A" of Item 4 of the Declarations is selected [Deductible Amount applies to **Damages** and **Defense Expenses**], **we** shall only be liable for those amounts payable hereunder for **Damages** and **Defense Expenses** that are in excess of the applicable Deductible Amount set forth in Item 4A of the Declarations.

4.2. If Deductible Option "B" of Item 4 of the Declarations is selected [Deductible Amount applies to **Damages** only], **we** shall only be liable for those amounts payable hereunder for **Damages** in excess of the applicable Deductible Amount stated in Item 4A of the Declarations. The Deductible Amount does not apply to **Defense Expenses**

You shall be liable for the Deductible Amount set forth in Item 4A of the Declarations for each **Claim**. The Deductible Amount shall apply separately to each **Claim** and shall be borne by **you**. For purposes of the Deductible Amount, **Related Claims** shall be considered one **Claim**, and only one Deductible Amount shall apply thereto.

Upon written request by **us**, **you** shall pay the Deductible Amount within thirty (30) days of the date of such request.



8.2 **Alternative Dispute Resolution** means the use of arbitration or non-binding mediation in a form approved by us in which a neutral panel or individual assists the parties in reaching their own settlement.

9.8 Other Insurance

This Policy shall be excess over, and shall not contribute with, any other existing insurance, bond, indemnification plan or self-insurance program, unless such other insurance is specifically written to be excess of this Policy.

If it is determined that both this insurance and any other primary, excess or contingent insurance or self-insurance, apply to any **Claim** covered by this Policy on the same basis, **we** shall not be liable under this Policy for a greater proportion of the **Damages** and **Defense Expenses** than the applicable Limit of Liability under this Policy for such **Damages** and **Defense Expenses** bears to the total applicable Limit of Liability of all valid insurance whether or not collectible against such **Claims**.

9.9 Legal Action Against Us

A person or organization may bring a suit against **us** including, but not limited to, a suit to recover on an agreed settlement or a final judgment against **you**; **we** will not be liable for **Damages** or **Defense Expenses** that are not payable under ~~the~~ this Policy or that are in excess of the applicable Limit of Liability. An agreed settlement means a settlement and release of liability signed by **us**, **you** and the claimant or the claimant's legal representative. No person or organization shall have any right under this Policy to join **us** in any action against **you** to determine **your** liability, nor shall **we** be impleaded by **you** or **your** legal representative.

- **NYAEN 05a (05/07) – Aggregate Deductible Endorsement:**

This is a revision of NYAEN 05 previous approved and clarifies the coverage intent.

- **NYAEN 05i (05/07) – Reduced Deductible Endorsement:**

This is a new endorsement and coverage enhancement to reward loss free firms by reducing the deductible.

- **NYAEN 36ii (05/07) – Public Company Attest Exclusion Endorsement:**

This is a revision of NYAEN 36 previous approved and clarifies the coverage intent.

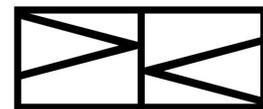
- **NYAEN 107a (05/07) – Claims Expenses in Addition to the Limit of Liability Endorsement:**

This is a revision of NYAEN 107 previous approved and clarifies the coverage intent.

- **NYAEN 108 (05/07) – Part-Time Practice Endorsement:**

This is a new endorsement and coverage enhancement.

- **NYAEN 110 (05/07) – Client Identity Theft Endorsement:**



This is a new endorsement and coverage enhancement.

- **NYAEN 113 (05/07) – General Counsel Endorsement:**

This is a new endorsement and coverage enhancement for larger accounting firms.

- **NYAEN 114 (05/07) – Part-Time Legal Services Extension Endorsement:**

This is a new endorsement and coverage enhancement for larger accounting firms.

- **NYAPP 01 (05/07) – Accountants’ Professional Liability Insurance Application:**

This has been expanded to include certain questions that previously appeared in the Supplementary Application and re-ordered for better ease of understanding. A question regarding large clients has been added.

- **NYAPP 03 (05/07) – Accountants’ Professional Liability Insurance Supplements:**

These have been reformatted into three easily identifiable sections. The risk management section has been removed and incorporated into the main application.

- **NYAPP 03a (05/07) – Accountants’ Professional Liability Insurance Audit Supplement:**

This is a new supplements designed to accompany NYAPP08 (05/07) – small firm’s application

- **NYAPP 08 (05/07) – Accountants’ Professional Liability Insurance Small Firm’s Application:**

This is a new short-form application designed to meet the needs of small, claims free firms with low risk exposure.

- **NYAPP 09 (05/07) – Accountants’ Professional Liability Insurance Single Sheet Supplement:**

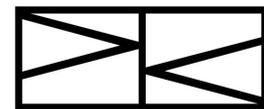
This is a new short-form supplement designed to augment information provided via a competitor’s application.

- **NYADC 01 (05/07) - Accountants’ Professional Liability Insurance Policy Declarations:**

This has been clarified to allow easier identification of the deductible amounts.

We hope this information will enable you to approve this filing.

We are requesting an effective date of August 30, 2007 or as soon as possible thereafter.



SERFF TRACKING NUMBER: PERR-125217017
ACCOUNTANTS PROFESSIONAL LIABILITY CPA GOLD PROGRAM
NEW YORK MARINE & GENERAL INSURANCE COMPANY
COMPANY TRACKING NUMBER: NYMG-OL-CPA-AR-07-01-F

This is in reply to the objection letter on this filing which is dated July 26, 2007. A copy of that objection letter is attached to this reply. In this reply, we will first restate the issues raised by Ms. Edith Roberts, the Department of Insurance examiner, and then follow with our response.

Issue 1. The examiner reviewed both the declarations page and the policy form and noted that there is an option to include defense costs within the limit of liability. The examiner then noted that AR Code Anno. 23-79-307 (5) (A) discuss defense costs within the limit the limit of liability and raises many restrictions on the ability to do so. She asked that we review this code section and comment whether we would be in compliance.

RESPONSE: We reviewed the code section as well as Arkansas Insurance Department notices (AID letters) that discuss when defense costs may be within the limit. We further spoke with the examiner and learned that a recent AID letter, AID No 2007-046, allows for defense costs within the limit of liability for professional liability policies that offer a limit of \$1,000,000 or greater on miscellaneous professional liability. We hereby attest that we fit within the conditions of AID No 2007-046 as the Accountants Professional Liability cover is a miscellaneous professional liability coverage and further, we will offer minimum limits of \$1,000,000 in Arkansas. We further attest that we will execute a "Consent Form" with the applicant for the policy (whether an individual or firm) acknowledging their understanding that the subject policy limits may be reduced or completely exhausted by payments for defense costs and claims expenses, and that the executed Consent Form will be attached to the policy upon policy issuance. Attached to this response is a copy of the Consent Form for use in Arkansas.

Issue 2. The examiner reviewed sections 6.2.2 and 6.3.4.2 found on pages 4 and 5 of the policy form, NYAPOL 01, which contain a condition that is to be met prior to issuance of optional extended reporting period coverage. She raised a concern with the language and asked that we review her concern and respond.

RESPONSE: We thank the department examiner for pointing this out to us. We have developed a state amendatory endorsement (SAE) for Arkansas to address this concern. In the SAE, we delete subsections 6.2.2 and 6.3.4.2 of Section 6 in their entirety. Attached to this response is a copy of the SAE, form NYAEN 61. Also attached to this response is a revised forms list including the new SAE.

Issue 3. The examiner reviewed section 6.5.2 of the policy form, NYAPOL 01, which states that the limit of liability for the optional extended reporting period is not reinstated. She directs our attention to AR Code Anno. 23-79-306 (5) which requires that the limit of liability for the optional extended reporting period be the greater of the amount remaining or 50% of the expiring policy aggregate. She asked that we review her concern and respond.

RESPONSE: We thank the department examiner for pointing this out to us. We have developed a state amendatory endorsement (SAE) for Arkansas to address this concern. In the SAE, we have revised the language in subsection 6.5.2 of section 6 so that it now contains language in compliance with the code cited by the examiner. Attached to this response is a copy of the SAE, form NYAEN 61.

Issue 4. The examiner reviewed section 9.13.2 on page 13 of the policy form, NYAPOL 01, which states that arbitration is "final and binding". She directs our attention to AR Code Anno. 23-79-203 (a) which prohibits mandatory and binding arbitration, noting that if the policy discusses

SERFF TRACKING NUMBER: PERR-125217017
ACCOUNTANTS PROFESSIONAL LIABILITY CPA GOLD PROGRAM
NEW YORK MARINE & GENERAL INSURANCE COMPANY
COMPANY TRACKING NUMBER: NYMG-OL-CPA-AR-07-01-F

arbitration, the policy must specifically state that arbitration is "voluntary and non-binding". She asked that we review her concern and respond.

RESPONSE: We thank the department examiner for pointing this out to us. We have developed a state amendatory endorsement (SAE) for Arkansas to address this concern. In the SAE, we have revised the language in subsection 9.13.2 of section 9.13 so that it now contains language in compliance with the code cited by the examiner. Attached to this response is a copy of the SAE, form NYAEN 61.

Issue 5: The examiner reviewed the optional endorsement form 107a, Claims Expenses in Addition to the Limit of Liability Endorsement. The examiner noted that AR Code Anno. 23-79-307 (5) (A) discuss defense costs within the limit the limit of liability and raises many restrictions on the ability to do so. She asked that we review this code section and comment whether we would be in compliance.

RESPONSE: We refer to our response to Issue 1 above that we will offer a miscellaneous professional liability coverage with limits of \$1,000,000 or greater whenever the defense within limits option is elected. Further we will attach a signed consent form to the policy where the insured acknowledges that defense costs are within the limit of liability.

We hope the above responses address the issues raised by the examiner. If true, we thank the examiner for her thorough review. We respectfully request approval of the filing. If we have not addressed all concerns, we ask that we be notified of any further concerns which we will then endeavor to address as quickly as possible.

Thank you.
Sheldon Rosenberg
Perr&Knight
866 737 7564 ext 103

Objection Letter for PERR-125217017

Close

Objection Letter Status Pending Industry Response

Objection Letter Date 07-26-2007

Submitted Date 07-26-2007

Dear Lance Julian,

This will acknowledge receipt of the captioned filing.

With reference to both the dec page (Form NYA DC 01 (05/07)) and policy form (Form # NYA POL 01 (05/07)), these reference defense within the limits of liability. Pursuant to AR Code Anno. 23-79-307 (5) (A), defense must be in addition to the limit of liability and at least equal to the limit of liability.

Please refer to page 4, of the policy form, #6.2.2. and page 5, #6.3.4.2. which states the "you have paid all premiums" as a precedent to requesting the extended reporting period. You may not refuse the optional extended reporting period coverage if requested and premium is paid for that endorsement, for termination of the policy for any reason, including non-payment of premium or deductibles owed (AR Code Anno. 23-79-306 (3)).

Please refer to page 6, #6.5.2. which states the limit of liability for the optional extended reporting period is not reinstated. AR Code Anno. 23-79-306 (5) requires that the limit of liability for the optional extended reporting period be the greater of the amount remaining or reinstated to 50% of the expiring policy aggregate.

Please refer to page 13, #9.13.2. which states that arbitration is "final and binding". AR Code Anno. 23-79-203 (a) prohibits mandatory and binding arbitration. Arbitration must specifically state that it is "voluntary and non-binding."

With reference to Form 107a, it is mandatory pursuant to AR Code Anno. 23-79-307 (5) (A) that this coverage be defense outside the limits.

Please feel free to contact me if you have questions.

Sincerely, Edith Roberts

ARKANSAS POLICYHOLDER DISCLOSURE NOTICE

DEFENSE WITHIN LIMITS

BY SIGNING THIS NOTICE, I ACKNOWLEDGE THAT I AM AWARE THAT MY POLICY HAS LIMITS OF LIABILITY WHICH MAY BE REDUCED OR COMPLETELY EXHAUSTED BY PAYMENTS FOR DEFENSE COSTS AND CLAIMS EXPENSES.

Policyholder's Signature

Date

New York Marine and General Insurance Company
CPAGold Accountants' Professional Liability

Arkansas

Forms List

Declarations and Forms

Form Name	Form Number/ Edition Date	Filing Action
Accountants' Professional Liability Insurance Policy Declarations	NYADC 01 (05/07)	Modified
Accountants' Professional Liability Insurance Policy	NYAPOL 01 (05/07)	Modified
Accountants' Professional Liability Insurance Policy Application	NYAPP 01 (05/07)	Modified
Accountants' Professional Liability Insurance Supplements	NYAPP 03 (05/07)	Modified
Accountants' Professional Liability Insurance Audit Supplement	NYAPP 03a (05/07)	New Form Added
Accountants' Professional Liability Insurance Small Firm's Application	NYAPP 08 (05/07)	New Form Added
Accountants' Professional Liability Insurance Single Sheet Supplement	NYAPP 09 (05/07)	New Form Added

Endorsements

Form Name	Form Number/ Edition Date	Filing Action
Aggregate Deductible Endorsement	NYAEN 05a (05/07)	New Form Replaces NYAEN 05
Reduced Deductible Endorsement	NYAEN 05i (05/07)	New Form Added
Public Company Attest Exclusion Endorsement	NYAEN 36ii (05/07)	New Form Replaces NYAEN 36
Claims Expenses in Addition to the Limit of Liability Endorsement	NYAEN 107a (05/07)	New Form Replaces NYAEN 107
Part-Time Practice Endorsement	NYAEN 108 (05/07)	New Form Added
Client Identity Theft Endorsement	NYAEN 110 (05/07)	New Form Added
General Counsel Endorsement	NYAEN 113 (05/07)	New Form Added
Part-Time Legal Services Extension Endorsement	NYAEN 114 (05/07)	New Form Added

State Amendatory Endorsements

Form Name	Form Number/ Edition Date	Filing Action
Arkansas State Amendatory Endorsement	NYAEN 61 (01/04)	New Form Added

ACCOUNTANTS & CONSULTANTS PROFESSIONAL LIABILITY INSURANCE POLICY

THIS POLICY IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO CLAIMS FIRST MADE AGAINST YOU AND REPORTED TO US IN WRITING UNLESS AN EXTENDED REPORTING PERIOD APPLIES. THE PAYMENT OF DEFENSE EXPENSES MAY REDUCE THE LIMIT OF LIABILITY.

PLEASE READ THE ENTIRE POLICY CAREFULLY.

Throughout this Policy the words “**we**”, “**us**” and “**our**” refer to the Company providing this insurance. Other words and phrases that appear in **bold** have special meaning. Refer to Section 8. DEFINITIONS.

In consideration of and subject to the payment of the premium, **your** agreement to pay the Deductible amount stated in the Declarations and described herein, and in reliance upon the particulars, statements, representations, attachments and exhibits contained in and submitted with the Application which shall be the basis of this Policy, and subject to all the terms, conditions, limitations and any endorsements to this Policy, **we** and **you** agree as follows:

1. INSURING AGREEMENTS

1.1. Professional Liability

We will pay on **your** behalf all sums in excess of the applicable Deductible amount stated in the Declarations that **you** become legally obligated to pay as **Damages** and associated **Defense Expenses** resulting from a **Claim** first made against **you** during the **Policy Period**, or **Extended Reporting Period**, if applicable, as a result of a **Covered Act** committed by **you**, provided that:

- 1.1.1 **you** report the **Claim** in writing to **us** as soon as practicable, but in no event later than sixty (60) days after expiration or termination of this Policy as permitted by Clause 6.1 of this policy, or during an Optional **Extended Reporting Period**, if applicable; and
- 1.1.2 the **Covered Act** was committed on or after the **Retroactive Date** and before the end of the **Policy Period**; and
- 1.1.3 prior to the inception date of this policy **you** did not have a basis to foresee that such **Covered Act** might reasonably be expected to give rise to a **Claim**, unless such **Claim** became known to **you** after the issue of **you** first Accountants and Consultants Professional Liability Insurance Policy by **us** as described in the Declarations Page and that has been continuously renewed by **us**.

1.2. Disciplinary Proceedings

Subject to a Limit of Liability of \$10,000, **we** will pay on **your** behalf **Defense Expenses you** incur responding to a **Disciplinary Proceeding** first commenced against **you** and reported to **us** in writing during the **Policy Period**, or an **Extended Reporting Period**, if applicable, as a result of a **Covered Act** committed by **you** on or after the **Retroactive Date**.

The Limit of Liability applicable to this insuring agreement is the maximum amount payable for the **Policy Period**, regardless of the number of **Disciplinary Proceedings** first commenced during the **Policy**

Period or the number of **you** subject to **Disciplinary Proceedings** and is in addition to the Aggregate Limit of Liability as set forth in the Declarations. No Deductible shall apply to this insuring agreement.

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1.3. Subpoena Expenses

Subject to a Limit of Liability of \$25,000 per policy period, **we** will pay on **your** behalf reasonable **Defense Expenses** incurred in responding to a subpoena for documents or testimony first received by **you** during the **Policy Period**, or an **Extended Reporting Period**, if applicable, resulting solely from **your** rendering or failing to render **Professional Services** and which has not resulted in a demand for **Damages** against **you**. **We** will, at **your** request, and upon receipt of a copy of the subpoena, retain an attorney to advise **you** regarding the document production and represent **you** during the preparation and giving of testimony.

Any notification **you** give **us** of such subpoena shall be deemed to be notification of a **Covered Acts** that may give rise to a **Claim** pursuant to Section 9.1.

Defense Expenses paid pursuant to this insuring agreement are in addition to the Aggregate Limit of Liability as set forth in the Declarations. No Deductible shall apply to this insuring agreement.

1.4 Expense Reimbursement

Subject to a Limit of Liability of \$500 each day and an aggregate of \$10,000 for the **Policy Period**, **we** will reimburse each of **you** for actual loss of earnings and reasonable expenses incurred when **you** attend a hearing, trial or arbitration proceeding at **our** request in the course of defending an otherwise covered **Claim**.

The aggregate Limit of Liability applicable to this insuring agreement is the maximum amount payable for the **Policy Period**, for all of **you** regardless of the number of **Claims**, and is in addition to the Aggregate Limit of Liability as set forth in the Declarations. No Deductible shall apply to this insuring agreement.

2. DEFENSE and LIMIT OF LIABILITY

2.1 Defense

We have the sole right to appoint defense counsel and the right and duty to defend any **Claim** made against **you**. **We** will consider any request for the appointment of qualified defense counsel made by **you**.

We shall not be obligated to pay any **Damages** or **Defense Expenses**, or to undertake or continue the defense of any **Claim** after the applicable Limit of Liability has been exhausted by payment of **Damages** or **Defense Expenses**, or the combined total of both.

We will not settle any **Claim** without **your** written consent. If **we** recommend a settlement to **you** that is acceptable to the claimant and **you** do not agree to the settlement, **our** liability is limited to the total of the amount of **Damages** for which the **Claim** could have been settled plus the amount of **Defense Expenses** incurred up to the time **we** made the settlement recommendation, which amount will not exceed the remainder of the Limit of Liability.

2.2 Limit of Liability

2.2.1 If option "a" of Item 1 of the Declarations to this Policy is selected [**Defense Expenses** are included in the Limit of Liability], then

2.2.2 Each **Claim: Defense Expenses** are included in the Limit of Liability; therefore, **our** maximum liability for the combined total of all **Damages** and **Defense Expenses**, resulting from each **Claim** or **Related Claim** covered by this Policy shall be the Limit of Liability for each **Claim** set forth in Item 3 of the Declarations.

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2.2.3 Aggregate: **Our** maximum aggregate liability for the combined total of all **Damages** and **Defense Expenses** resulting from all **Claims** or **Related Claims** covered by this Policy during the **Policy Period** shall be the aggregate Limit of Liability for all **Claims** set forth in Item 3 of the Declarations.

2.2.4 If option “b” of Item 1 of the Declarations to this Policy is selected [**Defense Expenses** are in addition to the Limit of Liability], **our** maximum liability for **Damages** shall be as set forth above in this Section 2 of this Policy; and there shall be an additional amount of **Defense Expenses** available for **Claims** covered under this Policy, equal to the amounts set forth in Item 1 of the Declarations, provided that the applicable Limits of Liability have not been exhausted by the payment of **Damages**.

2.2.5 prejudgment interest, where payable under this Policy is addition to the applicable Limit of Liability and not subject to the Deductible

2.3 **Related Claims:** Unless subject to coverage afforded by Clause 1.2. **Disciplinary Proceeding**, all **Related Claims** shall be deemed a single **Claim**, subject to a single each **Claim** Limit of Liability, if covered, and such **Claim** shall be considered first made on the date the earliest such **Related Claim** is first made against an **Insured**, regardless of whether such date is before or during the **Policy Period**.

3. CLAIM MITIGATION

Subject to the conditions described therein, **your** Deductible obligation may be subject to only one of the following:

3.1 If a **Claim** arises from an assignment in which **you** used an engagement letter that was signed prior to the **Covered Act** being committed, **your** Deductible obligation for such **Claim** shall be reduced by 50% up to a maximum reduction of \$10,000 each **Claim**, and \$25,000 in the aggregate for the **Policy Period**. This section 3.1 does not apply to audit or other attest services.

3.2 In the event a **Claim** is fully and finally resolved to the satisfaction of all parties, including **us**, as a result of **Alternative Dispute Resolution**, without resorting to litigation, **we** will waive **your** Deductible obligation for such **Claim** up to a maximum waiver of \$25,000 each **Claim**.

3.3 If within one year of being reported, or being deemed to have been made, in accordance with 9.1 of this Policy, a **Claim** is fully and finally resolved to the satisfaction of all parties, including us, and all **Damages** and **Defense Expenses** arising from such **Claim** have been paid, **your** Deductible obligation for such **Claim** shall be reduced by 25% up to a maximum reduction of \$25,000.

4. DEDUCTIBLE

4.1. If *Deductible Option* “A” of Item 4 of the Declarations is selected [Deductible Amount applies to **Damages** and **Defense Expenses**], **we** shall only be liable for those amounts payable hereunder for **Damages** and **Defense Expenses** that are in excess of the applicable *Deductible Amount* set forth in Item 4A of the Declarations.

4.2. If *Deductible Option* “B” of Item 4 of the Declarations is selected [Deductible Amount applies to **Damages** only], **we** shall only be liable for those amounts payable hereunder for **Damages** in excess of the applicable *Deductible Amount* stated in Item 4A of the Declarations. The *Deductible Amount* does not apply to **Defense Expenses**.

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You shall be liable for the *Deductible Amount* set forth in Item 4A of the Declarations for each **Claim**. The *Deductible Amount* shall apply separately to each **Claim** and shall be borne by **you**. For purposes of the *Deductible Amount*, **Related Claims** shall be considered one **Claim**, and only one *Deductible Amount* shall apply thereto.

Upon written request by **us**, **you** shall pay the *Deductible Amount* within thirty (30) days of the date of such request.

5. TERRITORY

The coverage afforded by this Policy applies worldwide.

6. EXTENDED REPORTING PERIODS

6.1 Automatic **Extended Reporting Period**

Without any additional premium being required **you** shall have sixty (60) days after the effective date of cancellation or, in the event of non-renewal, after the date upon which the **Policy Period** ends, to report any **Claim** first made against **you** during this sixty (60) day period. This Automatic **Extended Reporting Period** shall terminate, and **you** shall not be entitled to any such Automatic **Extended Reporting Period**, in the event that this insurance is replaced with the same or similar insurance issued by **us** or any other professional liability insurer, whether or not the terms, limits or deductibles are identical to those provided under this Policy. This Automatic **Extended Reporting Period** Option shall not be available if this Policy is canceled effective as of policy inception for non-payment of premium.

This Automatic **Extended Reporting Period** shall be included within the **Extended Reporting Periods** described in 6.2, 6.3 or 6.4, if such is purchased.

6.2 Optional **Extended Reporting Period**

If this Policy is canceled or non-renewed, **we** will offer, for an additional premium, an Optional **Extended Reporting Period**.

You may select an Optional **Extended Reporting Period** Option starting at the end of the **Policy Period** and lasting for one (1), three (3), five (5) years or an Unlimited Period. The additional premium for each Optional **Extended Reporting Period** Option below shall be calculated using the following percentages of the full expiring annual premium:

- 90% for the One (1) Year Option;
- 135% for the Three (3) Year Option;
- 150% for the Five (5) Year Option; or
- 200% for an Unlimited Option.

We will issue an Optional **Extended Reporting Period** endorsement only if:

6.2.1 **you** request it within sixty (60) days of the end of the **Policy Period**;

6.2.2 **you** have paid all premiums for this Policy at the time **you** request an Optional **Extended Reporting Period** Endorsement; and

6.2.3 **you** promptly pay when due the additional premium for the endorsement.

During the Optional **Extended Reporting Period**, coverage under this Policy applies as excess over any valid and collectible insurance available under policies in force after such Optional **Extended Reporting Period** starts.

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6.3 Retirement **Extended Reporting Period**

6.3.1 If, during the **Policy Period**, any of **you** permanently retire from practice for reasons not related to suspension or revocation of **your** professional license, or Death or Disability as described in 6.3.4 below, **we** will provide a Retirement **Extended Reporting Period** as set forth below.

6.3.2 The Retirement **Extended Reporting Period** will start with the date of **your** retirement and ends when one of the following occurs:

6.3.2.1 **you** resume professional practice; however, **you** may purchase, at **our** option, a Policy from **us** to reinstate full prior acts coverage;

6.3.2.2 any insurance is issued which replaces, in whole or in part, the coverage afforded by the Retirement **Extended Reporting Period**; or

6.3.2.3 the Limits of Liability have been exhausted.

6.3.3 The additional premium for this option shall be waived if **you** are an individual and have been continuously insured by **us** or via CPAGoldTM under a professional liability insurance policy for at least:

6.3.3.1 seven consecutive years prior to such cancellation or nonrenewal, and are at least fifty-five (55) years of age at the time of retirement; or

6.3.3.2 six consecutive years prior to such cancellation or nonrenewal and are at least fifty-six (56) years of age at the time of retirement; or

6.3.3.3 five consecutive years prior to such cancellation or nonrenewal and are at least fifty-seven (57) years of age at the time of retirement.

6.3.4 **We** will issue a Retirement **Extended Reporting Period** endorsement only if:

6.3.4.1 **you** request the endorsement no more than sixty (60) days after the date of **your** retirement, or sixty (60) days after the end of the **Policy Period**, whichever is earlier. Such request must include written notification of retirement;

6.3.4.2 **you** have paid all premiums due for this Policy at the time **you** request a Retirement **Extended Reporting Period Endorsement**; and

6.3.4.3 **you** promptly pay when due the additional premium for the endorsement.

6.4 Death or Disablement **Extended Reporting Period**

6.4.1 If, during the **Policy Period**, any of **you** die or become totally and permanently disabled, **we** will extend a Death or Disablement **Extended Reporting Period** at no charge. Totally and permanently disabled means that **you** have become so disabled as to be completely prevented from rendering **Professional Services**, and such disability:

6.4.1.1 has existed for not less than ninety (90) consecutive days; and

6.4.1.2 is expected to be continuous, total, and permanent.

6.4.2 The Death or Disablement **Extended Reporting Period** will start on the date **you** die or become totally and permanently disabled, and will end when one of the following occurs:

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6.4.2.1 the executor or administrator of **your** estate has been discharged;

6.4.2.2 the total and permanent disability ends, whether or not **you** resume practice;

6.4.2.3 any insurance is issued which replaces, in whole or in part, the coverage afforded by the Death or Disablement **Extended Reporting Period**; or

6.4.2.4 the Limits of Liability have been exhausted.

6.4.3 **We** will issue a Death or Disablement **Extended Reporting Period** endorsement only if **you** or **your** representative request it no more than ninety (90) days after the date of **your** death or total permanent disability, or ninety (90) days after the end of the **Policy Period**, whichever is the later. Such request must include:

6.4.3.1 a copy of the certified death certificate; or

6.4.3.2 written proof, certified by **your** attending physician, of total permanent disability including the date it occurred;

6.5 Applicable to all **Extended Reporting Periods**

The **Extended Reporting Periods**:

6.5.1 do not change the scope of coverage provided. The **Extended Reporting Periods** only apply to **Claims** resulting from **Covered Acts** committed before the end of the **Policy Period** and on or after the **Retroactive Date**, if any, shown in the Declarations;

6.5.2 do not reinstate or increase the Limits of Liability, unless specifically agreed by **us** and an endorsement evidencing such reinstatement or increase of Limits of Liability is attached hereto. The Limits of Liability for any **Extended Reporting Period** shall be a part of and do not increase the Limit of Liability listed on the Declarations. These apply regardless of the number and type of **Extended Reporting Periods** issued, the number of **you**, or any other factors;

6.5.3 are not renewable; and

6.5.4 cannot, once in effect, be canceled. **We** need not return any part of the premium paid for any reason whatsoever.

7 EXCLUSIONS

This Policy does not apply to any **Claim** made against **you**:

7.1 for, based upon, or arising from any criminal, dishonest, fraudulent or malicious act or omission, deliberate misrepresentation, or any intentional or knowing violation of law; however, **we** will defend **you** under this Policy until it is determined by any trial verdict, court ruling, regulatory ruling or legal admission, whether appealed or not, that **you** did commit such a dishonest, fraudulent, criminal or malicious act or omission, or deliberate misrepresentation, or intentional or knowing violation of law. This exclusion does not apply to any of **you** who did not intentionally participate in committing such act or had no knowledge or reason to believe such an act, omission or violation of law was being committed, and who made proper disclosure after obtaining personal knowledge of such conduct;

7.2 for, based upon, or arising from **Bodily Injury**, emotional distress, mental anguish, sickness, disease or death of any person, loss of consortium, support, companionship or services of any kind resulting

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therefrom. However, this exclusion shall not apply to emotional distress and mental anguish arising solely from **Personal Injury** or **Bodily Injury** arising solely from **Professional Services** performed by **you**;

7.3 for, based upon, or arising from **Property Damage** including destruction or loss of use of tangible property. However, this exclusion does not apply to client records which are in **your** care, custody or control, or over which **you** are exercising physical control for any reason;

7.4 by any of **you** alleging discrimination by **you** on the basis of age, color, race, sex, sexual orientation, creed, national origin, or marital status;

7.5 for, based upon, or arising from any **Covered Act** in the rendering of or failure to render audit and review services performed for any organization, corporation, company, partnership or operation while **you** are an officer, director, general partner or manager of such entity, or where **you** or **your** spouse has more than a 10% equity position in such entity;

7.6 for, based upon or arising out of any act, error or omission by **you** solely in your capacity as an officer, director, partner, manager or employee of a business enterprise not part of **you**;

7.7 by any of **you** under this Policy against another of **you** under this Policy, unless such **Claim** arises solely out of **Professional Services** performed in an accountant-client relationship;

7.8 for, based upon, or arising from any **Covered Act** which has been the subject of any written notice given under any prior policy;

7.9 for, based upon, or arising from any obligation for which **you** or any carrier acting as the insurer may be liable under any workers' compensation, unemployment compensation, disability or pension benefits law, or any similar laws, including but not limited to, the Employment Retirement Income Security Act of 1974 and any amendments thereof. This exclusion does not apply to **Professional Services** performed in connection with such capacities or laws on behalf of any person or entity other than one of **you**;

7.10 for, based upon, or arising from **your** gaining, in fact, any personal profit or advantage to which **you** are not legally entitled, including misappropriation, commingling or defalcation of funds or property;

7.11 for, based upon, or arising from **your** capacity as a broker or dealer in securities as those terms are defined in Section 3(a)(4) and 3(a)(5) respectively, of the Securities Exchange Act of 1934, or any amendment thereto; or

7.12 for, based upon or arising out of or brought by a trust or estate if **you** are a beneficiary or distributee of such trust or estate.

8. DEFINITIONS

8.1 **Affiliated Firm** means any person or entity with which **you** have entered into a professional relationship or agreement and which is performing **Professional Services** at **your** direction or on **your** behalf.

8.2 **Alternative Dispute Resolution** means the use of arbitration or non-binding mediation in a form approved by **us** in which a neutral panel or individual assists the parties in reaching their own settlement.

8.3 **Bodily Injury** means physical injury, sickness or disease sustained by an individual, including death resulting from any of these at any time.

8.4 **Claim** means:

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8.4.1 a written or verbal demand received by **you** for **Damages** or injunctive relief arising out of a **Covered Act** committed by **you**; or

8.4.2 a **Disciplinary Proceeding** or subpoena but only to the extent of coverage provided by Insuring Agreements 1.2 and 1.3.

Claim does not include a criminal proceeding unless otherwise covered by Exclusions 7.1.

A **Claim** is considered first made when **you** receive notice of the **Claim** from a claimant or his legal representative, or when deemed to be made pursuant to 9.1 of this Policy.

8.5 **Covered Act** means any actual or alleged act, error, omission or **Personal Injury** committed in the rendering of or failure to render **Professional Services**.

8.6 **Damages** means a compensatory monetary amount for which **you** may be held legally liable, including prejudgment interest, judgments, awards, or settlements negotiated with our approval. **Damages** shall include punitive or exemplary damages or the multiple portion of any multiplied damage award if such damages are insurable pursuant to applicable law. **Damages** do not include:

8.6.1 fines or penalties levied against **you**; or

8.6.2 fines, sanctions, taxes, penalties or awards deemed uninsurable pursuant to any applicable law.

8.7 **Defense Expenses** means:

8.7.1 reasonable and necessary fees charged by an attorney(s) designated by **us** to defend a **Claim**; and;

8.7.2 all other fees, costs and charges, resulting from the investigation, adjustment, defense, and appeal of a **Claim**, if incurred by **us**, including premiums on appeal bonds, provided that **we** shall not be obligated to apply for or furnish such appeal bonds.

The determination by **us** as to the reasonableness of **Defense Expenses** shall be conclusive on **you**. **Defense Expenses** do not include salary charges, wages or expenses of any of **you** or **us**, except as provided by Section 1.4 of this Policy.

8.8 **Disciplinary Proceeding** means a proceeding before a state licensing board, peer review committee or governmental regulatory agency.

8.9 **Extended Reporting Period(s)** means the applicable period of time after the end of the **Policy Period** for reporting **Claims** arising out of **Covered Acts** committed or alleged to have been committed, prior to the end of the **Policy Period** and on or after the **Retroactive Date**, and otherwise covered by this Policy.

8.10 **Predecessor in Business** means any firm or individual's practice which has ceased providing professional services for their own account and in their own name, and to whose assets or liabilities **you** are a successor in interest. **Predecessor in Business** includes, without limitation, any firm or individual practice merged or acquired by **you** during the **Policy Period**, provided details of such firm or individual practice are provided to **us** in writing as soon as reasonably practical, but in any event no later than the expiration of the **Policy Period**.

8.11 **Professional Services** means services performed or advice given by **you** to others provided that the remuneration for such services or advice, or a portion thereof, inures to **your** benefit (unless, with **your** consent and knowledge, such services or advice are provided Pro Bono). **Professional Services** shall include **your** activities performed on behalf of any professional institute or society or duly constituted standards board, and activities performed involving the process of peer review.

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8.12 **Policy Period** means the period of time stated in Item 2 of the Declarations or any other period resulting from policy cancellation or amendment to this Policy.

8.13 **Personal Injury** means (a) false arrest, detention or imprisonment, covered entry or eviction, other invasion of private occupancy, or malicious prosecution; (b) the publication or utterance of libel, slander or other defamatory or disparaging materials, or a publication or an utterance in violation of an individual's right of privacy; (c) injury arising out of an offense occurring in the course of **your** advertising activities, including but not limited to, infringement of copyright, title, slogan, patent, trademark, trade dress, trade names, services marks or service number. **Personal Injury** also includes emotional distress and mental anguish arising from any of the above.

8.14 **Property Damage** means injury to tangible property, including all resulting loss of use of that property or loss of use of tangible property that is not physically injured.

8.15 **Retroactive Date** means the date specified in Item 5 of the Declarations or by endorsement to this Policy. This Policy shall only apply to **Claims** resulting from **Covered Acts** committed on or after that date.

8.16 **Related Claim** means all **Claims**, whether made against more than one of **you** or by more than one claimant, arising out of a single **Covered Act** or a series of **Covered Acts** that are causally connected.

8.17 **Subsidiary** means any entity in which **you** own more than 50% of the available stock or shares, either directly or indirectly, that performs **Professional Services** as otherwise covered by this Policy. This Policy only applies to **Covered Acts** arising from **Professional Services** performed by a **Subsidiary** on or after the **Retroactive Date** as appears in Item 5 of the Declarations, the date of formation by **you**, the date of merger or acquisition by **you**, or as otherwise stated by endorsement attaching to this Policy.

8.18 **You** and/or **your** means only the following:

- 8.18.1 the Named Insured designated in the Declarations, or by endorsement to this Policy;
- 8.18.2 any person who is, was, or hereafter becomes **your** partner, principal, officer, director, member, or employee, but only while acting on **your** behalf;
- 8.18.3 any of **your** present or former temporary or leased personnel, or a present or former subcontractor engaged by **you**, but only while acting on **your** behalf;
- 8.18.4 the heirs, executors, administrators, and legal representatives of any of **you**, in the event of the death, incapacity or bankruptcy of any of **you**, but only for **Covered Acts** committed prior to such death, incapacity or bankruptcy, and only to the extent **you** would have otherwise been provided coverage under this Policy;
- 8.18.5 any **Subsidiary** or **Predecessor in Business** of **you**;
- 8.18.6 any **Affiliated Firm**;
- 8.18.7 the lawful spouse of any of **you** solely by reason of :
 - a spousal status, or;
 - b a spouse's ownership interest in property or assets that are sought as recovery. This definition shall not apply to the extent a **Claim** alleges any wrongful act by such spouse.

9. CONDITIONS

9.1 Reporting of Covered Acts That May Give Rise To A **Claim**

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If during the **Policy Period**, **you** become aware of a specific **Covered Act** that may reasonably be expected to give rise to a **Claim** against **you**, and if **you** report such specific **Covered Act** to **us** in writing during the **Policy Period**, then any **Claim** subsequently arising from such specific **Covered Act** duly reported in accordance with this paragraph shall be deemed under this Policy to be a **Claim** made during the **Policy Period**. Such written notice to **us** shall include:

- 9.1.1 particulars as to the reasons for anticipating such a **Claim**; and
- 9.1.2 the nature and dates of the alleged **Covered Act**; and
- 9.1.3 the alleged injuries or damages sustained; and
- 9.1.4 the names of potential claimants, if available; and
- 9.1.5 the manner in which **you** first became aware of the specific **Covered Act**.

9.2 Notice

In the event of a **Claim**, **you** shall as a condition precedent to the coverage afforded by this Policy:

- 9.2.1 immediately forward to **us** every demand, notice, summons or other process including institution of arbitration proceedings received by **you**; and,
- 9.2.2 give written notice containing particulars sufficient to identify **you** and the claimant and full information with respect to the time, place and circumstances of the event complained of, and the names and addresses of the injured and of available witnesses, to **us** as soon as practicable.

Notice of any **Claim** or specific **Covered Act** or all other notices under this Policy shall be given in writing to the address indicated in the Declarations.

9.3 Liberalization

If **we** adopt any revision that would broaden coverage under this Policy without additional premium at any time during the **Policy Period**, the broadened coverage: i) will immediately apply to this Policy beginning the effective date of the approval by the regulatory authorities of the state in which this Policy is issued or otherwise implemented by us; and ii) will not apply to **Claims** that were first made against **you** prior to the effective date of such revision.

9.4 Prohibition Of Voluntary Payments And Settlements Provision

With respect to any **Claim** covered under this Policy **you** shall not, except at **your** cost, make any payment, admit liability, settle any **Claim**, assume any obligation, agree to **Alternative Dispute Resolution** or any other means of resolution of any dispute, waive any rights or incur **Defense Expenses** without **our** prior written approval.

9.5 Cooperation

You shall cooperate with **us** and upon **our** request submit to examination and interrogation by **our** representative, under oath if required, and shall attend hearings and trials and assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and in the conduct of the defense of **Claims**.

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9.6 Authorization

The first person or entity named in the Declarations Page agrees to act as the Named Insured with respect to the giving and receiving of all notices, the exercising of **Extended Reporting Periods**, the cancellation of this Policy, the payment of premiums and Deductible amounts, and receiving of any return premiums that may become due.

9.7 Subrogation

To the extent of any payment under this Policy, **we** shall be subrogated to all **your** rights of recovery therefor against any person, organization, or entity and **you** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. **You** shall do nothing after any loss to prejudice such rights.

9.8 Other Insurance

This Policy shall be excess over, and shall not contribute with, any other existing insurance, bond, indemnification plan or self-insurance program, unless such other insurance is specifically written to be excess of this Policy.

If it is determined that both this insurance and any other primary, excess or contingent insurance or self-insurance, apply to any **Claim** covered by this Policy on the same basis, **we** shall not be liable under this Policy for a greater proportion of the **Damages** and **Defense Expenses** than the applicable Limit of Liability under this Policy for such **Damages** and **Defense Expenses** bears to the total applicable Limit of Liability of all valid insurance whether or not collectible against such **Claims**.

9.9 Legal Action Against Us

A person or organization may bring a suit against **us** including, but not limited to, a suit to recover on an agreed settlement or a final judgment against **you**; **we** will not be liable for **Damages** or **Defense Expenses** that are not payable under the this Policy or that are in excess of the applicable Limit of Liability. An agreed settlement means a settlement and release of liability signed by **us**, **you** and the claimant or the claimant's legal representative. No person or organization shall have any right under this Policy to join **us** in any action against **you** to determine **your** liability, nor shall **we** be impleaded by **you** or **your** legal representative.

However, no action by any of **you** shall lie against **us** unless there has been full compliance with all of the terms of this Policy.

9.10 Coverage In Bankruptcy

Your personal bankruptcy or insolvency or that of **your** estate shall not relieve **us** of **our** obligations under this Policy.

9.11 Cancellation

9.11.1 **We** may cancel this Policy for non-payment of any premium when due by providing to the Named Insured written notice stating when, not less than, thirty (30) days thereafter, such cancellation shall be effective.

9.11.2 **We** shall refund the paid premium less the earned portion thereof within thirty (30) days of the latter of the effective date of cancellation or the date of the **your** notice of intent to cancel.

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- 9.11.3 The earned portion of the premium shall be computed on the customary short-rate basis unless any state law or regulation of the state shown in the mailing address of the Named Insured on the Declarations Page requires that the return premium be computed on a pro-rata basis, even in the event of cancellation by the Named Insured.
- 9.11.4 Minimum premium shall not apply to the return of unearned premium if cancellation is by **us**.
- 9.11.5 The Named Insured may cancel this Policy on behalf of all of **you** by mailing **us** written notice stating when thereafter such cancellation will be effective. Notice of cancellation must be sent to **us** by certified mail to the address set forth in the Declarations. In such event, the earned premium will be computed in accordance with the customary short rate table and procedure. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
- 9.11.6 **We** will not be required to renew this Policy upon its expiration. If **we** elect not to renew this Policy, **we** will deliver or mail to the Named Insured written notice to that effect, including the reason(s) for such non-renewal, at least ninety (90) days before the Expiration Date stated in the Declarations.

9.12 Non-Renewal And Renewal Rate Increase Or Change In Policy Terms:

Non-Renewal: **We** will renew this Policy unless written Notice of **our** intent not to renew stating the specific reasons for nonrenewal, is mailed to the Named Insured not less than 90 days before this Policy expires. "Non-renewal" shall include the failure of **us** to offer a renewal policy, which provides types and limits of coverage substantially equivalent to those contained in the expiring policy.

Renewal Rate Increase Or Change In Policy Terms: If **we** increase **your** rate, change the deductible, reduce the limit, or reduce coverage at renewal, **we** will mail to the Named Insured at least sixty (60) days prior to the effective date of that increase or change: (a) written notice of any change in coverage; and, (b) the amount of our rate increase.

A rate increase is defined as any increase in premium except increase due to change in exposure (including claims-made step factors) rating plans based solely on **your** developed experience.

9.13 Arbitration and Mediation

Should **we** disagree with **you** as to the interpretation or application of this Policy, including the appropriateness or value of any settlement or final disposition of any **Claim**, the dispute shall be resolved through the following procedure:

9.13.1 Mediation

The parties agree to first meet with a mediator appointed by the American Arbitration Association in a good faith effort to negotiate a resolution of the dispute. Mediation shall continue until resolution of the dispute, or the mediator notifies the parties that it is unlikely that the dispute will be resolved through mediation, or any party elects after a minimum of thirty (30) days of mediation effort to end mediation.

9.13.2 Arbitration

If the dispute is not resolved through mediation as described in 9.13.1 above, the dispute will be submitted to final and binding arbitration which, except as set forth below, shall be conducted in accordance with the rules of the American Arbitration Association. The arbitration panel shall consist of one arbitrator selected by **us**, one arbitrator selected by **you**, and one arbitrator selected by the two

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arbitrators. In the event that the two arbitrators selected cannot agree on a third arbitrator then the American Arbitration Association shall appoint an arbitrator. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

If acceptable to **us** and **you**, any dispute may, in lieu of binding arbitration, be submitted to another form of alternative dispute resolution.

9.14 Sending of Notices

Any notice of cancellation, nonrenewal or renewal premium increase or change in policy terms will be mailed by first class registered or certified mail to the first Named Insured at the last mailing address known to **us**. Proof of mailing will be sufficient proof of notice.

9.15 Innocent Insureds

Whenever coverage under any provision of this Policy would be excluded, suspended or lost because of noncompliance with the terms or conditions relating to the giving of notice to **us** of any **Claim** with respect to which any other of **you** shall be in default solely because of the default or concealment of such default by one or more of **you** responsible for the loss or damage otherwise covered hereunder, **we** agree that such insurance as would otherwise be afforded under this Policy shall apply with respect to those of **you** who did not personally commit or personally participate in committing one or more acts, errors or omissions described in such exclusion or condition; provided that if the condition be one with which **you** can comply, after receiving knowledge thereof, those of **you** entitled to the benefit of this condition shall comply with such condition promptly after obtaining knowledge of such noncompliance.

9.16 Conformity to Statute:

Notwithstanding anything contained herein to the contrary, in the event that any terms or conditions of this contract conflict with any law applicable to the coverage afforded hereunder, the terms of this contract shall by this statement, be amended to conform to such law or laws.

9.17 Declarations and Applications

By acceptance of this Policy, **you** agree that the statements in the application(s) and any attachment(s) attached hereto and made a part hereof, and all information communicated by **you** to **us** are **your** agreements and representations, and all such communicated information shall be deemed material to **our** issuance of this Policy; and that this Policy is issued in reliance upon the truth of such representations that this Policy embodies all agreements existing between **you** and **us** or any of **our** agents relating to this insurance.

In Witness whereof, we have caused this Policy to be signed by its President and Secretary.



President



Secretary