

SERFF Tracking Number: ACEH-125351961 State: Arkansas
Filing Company: ACE American Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: 07-PR-388
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0006 Directors & Officers Liability
Product Name: 07-PR-388
Project Name/Number: Management Protection Policy D&O Forms/07-PR-388

Filing at a Glance

Company: ACE American Insurance Company

Product Name: 07-PR-388

SERFF Tr Num: ACEH-125351961 State: Arkansas

TOI: 17.0 Other Liability - Claims
Made/Occurrence

SERFF Status: Closed

State Tr Num: EFT \$50

Sub-TOI: 17.0006 Directors & Officers Liability Co Tr Num: 07-PR-388

State Status: Fees verified and
received

Filing Type: Form

Co Status:

Reviewer(s): Betty Montesi, Edith
Roberts, Brittany Yielding

Authors: Bob Wolfrom, Viola
McBride

Disposition Date: 01/09/2008

Date Submitted: 11/08/2007

Disposition Status: Approved

Effective Date Requested (New): On Approval

Effective Date (New):

Effective Date Requested (Renewal): On Approval

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: Management Protection Policy D&O Forms

Status of Filing in Domicile: Pending

Project Number: 07-PR-388

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 01/09/2008

State Status Changed: 01/09/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

We are filing new and revised supplemental endorsements for use with our previously approved Management Protection Policy including a supplemental application. The forms will use the Directors and Officers Liability Rating Plan and general rules approved under the prior filing.

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Company and Contact

Filing Contact Information

Robert Wolfrom, CPCU, Regulatory Specialist robert.wolfrom@ace-ina.com
 436 Walnut Street (215) 640-5123 [Phone]
 Philadelphia, PA 19106 (215) 640-4986[FAX]

Filing Company Information

ACE American Insurance Company CoCode: 22667 State of Domicile: Pennsylvania
 PO Box 1000 Group Code: 626 Company Type:
 436 Walnut Street
 Philadelphia, PA 19106 Group Name: State ID Number:
 (215) 640-5123 ext. [Phone] FEIN Number: 95-2371728

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
ACE American Insurance Company	\$50.00	11/08/2007	16548973

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	01/09/2008	01/09/2008

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	11/18/2007	11/18/2007	Bob Wolfrom	01/04/2008	01/04/2008
Industry Response						

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Disposition

Disposition Date: 01/09/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Explanatory Memo	Approved	Yes
Supporting Document	Amendatory Endorsement - Arkansas	Approved	Yes
Form	Health Care Amendatory (FTMI Defense Costs Carveback)	Approved	Yes
Form	Health Care Amendatory	Approved	Yes
Form	Health Care - Education Amendatory (FTMI Defense Costs Carveback)	Approved	Yes
Form	Health Care - Education Amendatory	Approved	Yes
Form	Amend Territory Provision	Approved	Yes
Form	Amend Exclusions A and B	Approved	Yes
Form	Amended Insured vs. Insured Exclusion	Approved	Yes
Form	Personal Profit Exclusion	Approved	Yes
Form	Waiver of Application (No Underlying Application)	Approved	Yes
Form	Stock Options Supplemental Application	Approved	Yes
Form	Common Claims - Capping of Limits	Approved	Yes
Form	Capping of Limits Endorsement	Approved	Yes
Form	Amend Securities Claim, Administrative or Regulatory Proceeding Against Entity, Co-Defendant Basis	Approved	Yes
Form	Company Securities Liability Removal, Amended Allocation	Approved	Yes
Form	Side A and B, Full Severability (Deletion of Side C and Amended Allocation)	Approved	Yes
Form	Presumptive Indemnification Amended	Approved	Yes
Form	Amend Securities Claim	Approved	Yes
Form	Derivative Investigation Endorsement	Approved	Yes
Form	Amend Notice Period	Approved	Yes
Form	Extradition Proceeding	Approved	Yes
Form	Public Offering Endorsement	Approved	Yes
Form	Retention - Securities Claim	Approved	Yes

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Form	Amend Former Executive Carveback	Approved	Yes
Form	ERP Time for Notice	Approved	Yes
Form	Payment Priority Amended, Independent Directors Instead of Chief Executive Officer	Approved	Yes
Form	Non-Rescindable Coverage	Approved	Yes
Form	Section 11 or 12 Endorsement	Approved	Yes
Form	Amend Insured Person	Approved	Yes
Form	Amended Pending and Prior Date - Limits	Approved	Yes
Form	Pollution Exclusion	Approved	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 11/18/2007
Submitted Date 11/18/2007
Respond By Date

Dear Robert Wolfrom, CPCU,

This will acknowledge receipt of the captioned filing.

The Supplement Extended Reporting Period whenever it appears within the policy, must state that the limit for the supplemental ERP is the greater of the limit remaining of the expiring policy aggregate or reinstated to 50%. AR Code Anno. 23-79-306 (6)

Also, with reference to Form PF-23051, you may not leave the days notice "blank" for requesting the supplemental extended reporting period. It must state "60 days" as those number of days is set by AR Code Anno. 23-79-306 (3).

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 01/04/2008
Submitted Date 01/04/2008

Dear Edith Roberts,

Comments:

Response 1

Comments: In response to your questions:

Please be advised that the policy is amended via endorsement to state that the limit applicable to the Optional Extended Reporting Period, if elected, shall be the greater of the unexhausted Limit of Liability of the immediately preceding Policy Period or 50% of the full amount of the Limit of Liability shown in Item 3 of the Declarations at the inception of the

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immediately preceding Policy Period. Please see our previously filed and approved Arkansas amendatory endorsement PF-19714 (10/06), a copy of which is attached for your reference. Furthermore, please note that PF-19714 is a mandatory form that is attached to all Arkansas policies.

With reference to our ERP-Time For Notice endorsement PF-23051 (08/07), this endorsement was designed for use in multiple jurisdictions where the number of days in which to give notice and pay premium may vary. Therefore, we affirm that the minimum number of days that will be inserted in the blank of this endorsement will not be less than that required by Arkansas law (i.e., 60 days).

- Attach is a copy of amendatory endorsement PF-19714 (10/06) highlighting the Limit of Liability for the SERP.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Amendatory Endorsement - Arkansas

Comment: Copy of previously filed amendatory endorsement.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Bob Wolfrom, Viola McBride

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Health Care Amending (FTMI Defense Costs Carveback)	PF-19388a	(06/07)	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 PF-19388 (12/05) Previous Filing #:		PF19388a.pdf PF19388a(Mark up).pdf
Approved	Health Care Amending	PF-19474a	(06/07)	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 PF-19474 (12/05) Previous Filing #:		PF19474a.pdf PF19474a(Mark up).pdf
Approved	Health Care - Education Amending (FTMI Defense Costs Carveback)	PF-19475a	(06/07)	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 PF-19475 (12/05) Previous Filing #:		PF19475a.pdf PF19475a(Mark up).pdf
Approved	Health Care - Education Amending	PF-19528a	(06/07)	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 PF-19528 (12/05) Previous Filing #:		PF19528a.pdf PF19528a(Mark up).pdf
Approved	Amend Territory Provision	PF-20681	(07/06)	Endorsement/Amendment/Conditions New		0.00	PF20681.pdf
Approved	Amend Exclusions A and B	PF-21615	(05/06)	Endorsement/Amendment/Conditions New		0.00	PF21615.pdf
Approved	Amended Insured vs. Insured Exclusion	PF-21616	(06/06)	Endorsement/Amendment/Conditions New		0.00	PF21616.pdf
Approved	Personal Profit Exclusion	PF-21617	(08/06)	Endorsement/Amendment/Conditions New		0.00	PF21617.pdf

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Approved	Waiver of Application (No Underlying Application)	PF-21619 (04/06)	Endorsement/New Amendment/Conditions	0.00	PF21619.pdf
Approved	Stock Options Supplemental Application	PF-21857 (02/07)	Application/New Binder/Endorsement	0.00	PF21857.pdf
Approved	Common Claims - Capping of Limits	PF-21909 (02/07)	Endorsement/New Amendment/Conditions	0.00	PF21909.pdf
Approved	Capping of Limits Endorsement	PF-21910 (02/07)	Endorsement/New Amendment/Conditions	0.00	PF21910.pdf
Approved	Amend Securities Claim, Administrative or Regulatory Proceeding Against Entity, Co-Defendant Basis	PF-21940 (01/07)	Endorsement/New Amendment/Conditions	0.00	PF21940.pdf
Approved	Company Securities Liability Removal, Amended Allocation	PF-22640 (06/07)	Endorsement/New Amendment/Conditions	0.00	PF22640.pdf
Approved	Side A and B, Full Severability (Deletion of Side C and Amended Allocation)	PF-22641 (06/07)	Endorsement/New Amendment/Conditions	0.00	PF22641.pdf
Approved	Presumptive Indemnification Amended	PF-22747 (07/07)	Endorsement/New Amendment/Conditions	0.00	PF22747.pdf
Approved	Amend Securities	PF-22978 (04/07)	Endorsement/New	0.00	PF22978.pdf

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Claim	nt/Amendm ent/Condi ons
Approved Derivative Investigation Endorsement PF-22979 (03/07)	Endorsement New nt/Amendm ent/Condi ons 0.00 PF22979.pdf
Approved Amend Notice Period PF-22980 (11/06)	Endorsement New nt/Amendm ent/Condi ons 0.00 PF22980.pdf
Approved Extradition Proceeding PF-22981 (06/07)	Endorsement New nt/Amendm ent/Condi ons 0.00 PF22981.pdf
Approved Public Offering Endorsement PF-22982 (11/06)	Endorsement New nt/Amendm ent/Condi ons 0.00 PF22982.pdf
Approved Retention - Securities Claim PF-22983 (09/06)	Endorsement New nt/Amendm ent/Condi ons 0.00 PF22983.pdf
Approved Amend Former Executive Carveback PF-23050 (08/07)	Endorsement New nt/Amendm ent/Condi ons 0.00 PF23050.pdf
Approved ERP Time for Notice PF-23051 (08/07)	Endorsement New nt/Amendm ent/Condi ons 0.00 PF23051.pdf
Approved Payment Priority Amended, Independent Directors Instead of Chief Executive Officer PF-23052 (08/07)	Endorsement New nt/Amendm ent/Condi ons 0.00 PF23052.pdf
Approved Non-Rescindable PF-23062 (08/07)	Endorsement New 0.00 PF23062.pdf

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	Coverage		nt/Amendm ent/Condi ons		
Approved	Section 11 or 12 Endorsement	PF-23144 (06/07)	Endorseme New nt/Amendm ent/Condi ons	0.00	PF23144.pdf
Approved	Amend Insured Person	PF-23145 (09/07)	Endorseme New nt/Amendm ent/Condi ons	0.00	PF23145.pdf
Approved	Amended Pending and Prior Date - Limits	PF-23146 (09/07)	Endorseme New nt/Amendm ent/Condi ons	0.00	PF23146.pdf
Approved	Pollution Exclusion	PF-23147 (09/07)	Endorseme New nt/Amendm ent/Condi ons	0.00	PF23147.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Health Care Amendatory Endorsement (FTMI Defense Costs Carveback)

It is agreed that the **Policy** is amended as follows:

1. Section II, Definitions, is amended by adding the following to the definitions indicated:
 - B. **Claim** shall also mean a civil lawsuit alleging a violation pursuant to the Emergency Medical Treatment and Active Labor Act (“**EMTALA**”), 42 U.S.C., 1396dd et seq., and any similar state or local statute (“**EMTALA Claim**”).
 - F. **Insured Person** also means any person who was, now is or shall become any member of any duly constituted committee of the **Company**; any individual person engaged by a duly constituted committee of the **Company** for purposes of providing an expert opinion with regard to a peer review or credentialing decision concerning an individual physician; any individual in charge of any operational department of the **Company**; or, any medical director, staff physician or faculty member of the **Company**, regardless of whether or not such person is directly employed by the **Company** or is considered an independent contractor for the **Company**.

I. **Loss**

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include **Defense Costs** incurred in connection with a **Claim** seeking an assessment of taxes, initial taxes, additional taxes, tax deficiencies, excise taxes or penalties pursuant to the following sections of the Internal Revenue Code of 1986:

a) IRS Fines

- Section 4911 (tax on excess expenditures to influence legislation);
- Section 4940(a);
- Section 4941 (taxes on self-dealing);
- Section 4942 (taxes on failure to distribute income);
- Section 4943 (taxes on excess business holding);
- Section 4944 (taxes on investments which jeopardize charitable purpose);
- Section 4945 (taxes on taxable expenditures);
- Section 6652 (c)(1)(A) and (B) (penalties for failure to file certain information returns or registration statements);
- Section 6655 (a)(1) (penalties for failure to pay estimated income tax);
- Section 6656(a) and (b) (penalties for failure to make deposit of taxes).

b) EMTALA Coverage

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include civil fines and penalties assessed pursuant to an **EMTALA Claim**. However, a sublimit of liability in the amount of \$250,000 shall apply to all **EMTALA Claims** made and reported during the **Policy Period** or **Extended Reporting Period** (if applicable) combined (“**EMTALA Sublimit of Liability**”). The **EMTALA Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations.

c) **Government Funding Defense Costs**

Loss shall not include the return of funds which were received from any federal, state or local governmental agency and any interest, fines or penalties arising out of the return of such funds. Provided, however, that with regard to **Claims** for **Wrongful Acts** arising out of the return, or request to return such funds, this **Policy** shall pay **Defense Costs** up to an amount not to exceed \$1,000,000 ("**Government Funding Defense Costs Sublimit of Liability**"). The **Government Funding Defense Costs Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations. However, with respect to **Defense Costs** coverage afforded pursuant to this paragraph, it is agreed that the **Insurer** shall pay 50% of such **Defense Costs**, excess of a retention in the amount of \$1,000,000, up to the **Government Funding Defense Costs Sublimit of Liability**, and subject to the Limit of Liability listed on the Declarations. The remaining 50% of such **Defense Costs** shall be borne by the **Insureds** uninsured and at their own risk.

d) **Excess Benefit Penalty Coverage**

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include any **Excess Benefits** penalty assessed in the amount of 10% by the Internal Revenue Service ("**IRS**") against any **Insured(s)** for management's involvement in the award of an **Excess Benefit** and the **Defense Costs** attributable thereto. **Loss** shall specifically exclude: 1) any 25% penalty assessed by the **IRS** against an **Insured** deemed to have received an **Excess Benefit**; 2) **Defense Costs** incurred to defend any **Insured** if it has been in fact determined that such individual received an **Excess Benefit**; and 3) any 200% penalty assessed by the **IRS** for failure to correct the award of an **Excess Benefit**. In all events the assessment by the **IRS** of a 200% penalty against any **Insured** shall void ab initio all coverage afforded pursuant to this paragraph. For purposes of this paragraph, **Excess Benefit** means an excess benefit as defined in the Taxpayer Bill of Rights Act 2, 26 U.S.C. 4958.

Q. **Wrongful Act**

Solely with respect to **Insured Persons**, **Wrongful Act** shall also include any alleged defect in peer review or credentialing.

2. Section III, Exclusions, is amended by adding the following exclusions:

- alleging, based upon, arising out of, or attributable to any failure or omission to effect or maintain adequate insurance. However, solely with respect to **Claims** against directors or officers of the **Company**, this exclusion shall not apply to **Defense Costs**;
- alleging, based upon, arising out of, or attributable to the **Insured's** performance or rendering of, or failure to perform or render, medical or other professional services or treatments for others. However, this exclusion shall not apply to any **Claim** against an **Insured Person** where such **Claim** relates to peer review or credentialing processes;
- alleging, based upon, arising out of or attributable to antitrust violations, price fixing, price discriminations, unfair competition, deceptive trade practices and/or monopolies, including any actions, proceedings, **Claims** or investigations related thereto;

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Health Care Amendatory Endorsement (FTMI Defense Costs Carveback)

It is agreed that the **Policy** is amended as follows:

1. Section II, Definitions, is amended by adding the following to the definitions indicated:

B. Claim shall also mean a civil lawsuit alleging a violation pursuant to the Emergency Medical Treatment and Active Labor Act ("EMTALA"), 42 U.S.C., 1396dd et seq., and any similar state or local statute ("EMTALA Claim").

F. Insured Person also means any person who was, now is or shall become any member of any duly constituted committee of the **Company**; any individual person engaged by a duly constituted committee of the **Company** for purposes of providing an expert opinion with regard to a peer review or credentialing decision concerning an individual physician; any individual in charge of any operational department of the **Company**; or any medical director, staff physician or faculty member of the **Company**, regardless of whether or not such person is directly employed by the **Company** or is considered an independent contractor for the **Company**.

I. Loss

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include **Defense Costs** incurred in connection with a **Claim** seeking an assessment of taxes, initial taxes, additional taxes, tax deficiencies, excise taxes or penalties pursuant to the following sections of the Internal Revenue Code of 1986:

a) **IRS Fines**

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- Deleted: 2. Section II, Definitions, subsection F, **Insured Person**, is amended by adding the following: ¶
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- Deleted: ("Outside Expert")
- Deleted: ("Department Head")
- Deleted: 3. Section II, Definitions, subsection I, **Loss**, is amended to add the following: ¶
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c) Government Funding Defense Costs

Loss shall not include the return of funds which were received from any federal, state or local governmental agency and any interest, fines or penalties arising out of the return of such funds. Provided, however, that with regard to **Claims** for **Wrongful Acts** arising out of the return, or request to return such funds, this **Policy** shall pay **Defense Costs** up to an amount not to exceed \$1,000,000 ("**Government Funding Defense Costs Sublimit of Liability**"). **The Government Funding Defense Costs Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in **Item 3** of the **Declarations**. However, with respect to **Defense Costs** coverage afforded pursuant to this paragraph, it is agreed that the **Insurer** shall pay 50% of such **Defense Costs**, excess of a retention in the amount of \$1,000,000, up to the **Government Funding Defense Costs Sublimit of Liability**, and subject to the Limit of Liability listed on the **Declarations**. The remaining 50% of such **Defense Costs** shall be borne by the **Insureds** uninsured and at their own risk.

d) Excess Benefit Penalty Coverage

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include any **Excess Benefits** penalty assessed in the amount of 10% by the Internal Revenue Service ("**IRS**") against any **Insured(s)** for management's involvement in the award of an **Excess Benefit** and the **Defense Costs** attributable thereto. **Loss** shall specifically exclude: 1) any 25% penalty assessed by the **IRS** against an **Insured** deemed to have received an **Excess Benefit**; 2) **Defense Costs** incurred to defend any **Insured** if it has been in fact determined that such individual received an **Excess Benefit**; and 3) any 200% penalty assessed by the **IRS** for failure to correct the award of an **Excess Benefit**. In all events the assessment by the **IRS** of a 200% penalty against any **Insured** shall void ab initio all coverage afforded pursuant to this paragraph.

For purposes of this paragraph, **Excess Benefit**, means an excess benefit as defined in the Taxpayer Bill of Rights Act 2, 26 U.S.C. 4958.

Q. Wrongful Act

Solely with respect to Insured Persons, **Wrongful Act** shall also include any alleged defect in peer review or credentialing.

2. Section III, Exclusions, is amended by adding the following exclusions:

- alleging, based upon, arising out of, or attributable to any failure or omission to effect or maintain adequate insurance. However, solely with respect to **Claims** against directors or officers of the **Company**, this exclusion shall not apply to **Defense Costs**;
- alleging, based upon, arising out of, or attributable to the **Insured's** performance or rendering of, or failure to perform or render, medical or other professional services or treatments for others. **However, this exclusion shall not apply to any Claim against an Insured Person where such Claim relates to peer review or credentialing processes;**
- alleging, based upon, arising out of or attributable to antitrust violations, price fixing, price discriminations, unfair competition, deceptive trade practices and/or monopolies, including any actions, proceedings, **Claims** or investigations related thereto;

All other terms and conditions of this **Policy** remain unchanged.

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Author

4. Section II, Definitions, subsection Q, is amended to add the following:

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Author

with respect to coverage provided pursuant to this endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Health Care Amendatory Endorsement

It is agreed that the **Policy** is amended as follows:

1. Section II, Definitions, is amended by adding the following to the definitions indicated:
 - B. **Claim** shall also mean a civil lawsuit alleging a violation pursuant to the Emergency Medical Treatment and Active Labor Act (“**EMTALA**”), 42 U.S.C., 1396dd et seq., and any similar state or local statute (“**EMTALA Claim**”).
 - F. **Insured Person** also means any person who was, now is or shall become any member of any duly constituted committee of the **Company**; any individual person engaged by a duly constituted committee of the **Company** for purposes of providing an expert opinion with regard to a peer review or credentialing decision concerning an individual physician; any individual in charge of any operational department of the **Company**; or, any medical director, staff physician or faculty member of the **Company**, regardless of whether or not such person is directly employed by the **Company** or is considered an independent contractor for the **Company**.
 - I. **Loss**

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include **Defense Costs** incurred in connection with a **Claim** seeking an assessment of taxes, initial taxes, additional taxes, tax deficiencies, excise taxes or penalties pursuant to the following sections of the Internal Revenue Code of 1986:

 - a) IRS Fines
 - Section 4911 (tax on excess expenditures to influence legislation);
 - Section 4940(a);
 - Section 4941 (taxes on self-dealing);
 - Section 4942 (taxes on failure to distribute income);
 - Section 4943 (taxes on excess business holding);
 - Section 4944 (taxes on investments which jeopardize charitable purpose);
 - Section 4945 (taxes on taxable expenditures);
 - Section 6652 (c)(1)(A) and (B) (penalties for failure to file certain information returns or registration statements);
 - Section 6655 (a)(1) (penalties for failure to pay estimated income tax);
 - Section 6656(a) and (b) (penalties for failure to make deposit of taxes).
 - b) EMTALA Coverage

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include civil fines and penalties assessed pursuant to an **EMTALA Claim**. However, a sublimit of liability in the amount of \$250,000 shall apply to all **EMTALA Claims** made and reported during the **Policy Period** or **Extended Reporting Period** (if applicable) combined (“**EMTALA Sublimit of Liability**”). The **EMTALA Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations.

c) **Government Funding Defense Costs**

Loss shall not include the return of funds which were received from any federal, state or local governmental agency and any interest, fines or penalties arising out of the return of such funds. Provided, however, that with regard to **Claims for Wrongful Acts** arising out of the return, or request to return such funds, this **Policy** shall pay **Defense Costs** up to an amount not to exceed \$1,000,000 ("**Government Funding Defense Costs Sublimit of Liability**"). The **Government Funding Defense Costs Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations. However, with respect to **Defense Costs** coverage afforded pursuant to this paragraph, it is agreed that the **Insurer** shall pay 50% of such **Defense Costs**, excess of a retention in the amount of \$1,000,000, up to the **Government Funding Defense Costs Sublimit of Liability**, and subject to the Limit of Liability listed on the Declarations. The remaining 50% of such **Defense Costs** shall be borne by the **Insureds** uninsured and at their own risk.

d) **Excess Benefit Penalty Coverage**

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include any **Excess Benefits** penalty assessed in the amount of 10% by the Internal Revenue Service ("**IRS**") against any **Insured(s)** for management's involvement in the award of an **Excess Benefit** and the **Defense Costs** attributable thereto. **Loss** shall specifically exclude: 1) any 25% penalty assessed by the **IRS** against an **Insured** deemed to have received an **Excess Benefit**; 2) **Defense Costs** incurred to defend any **Insured** if it has been in fact determined that such individual received an **Excess Benefit**; and 3) any 200% penalty assessed by the **IRS** for failure to correct the award of an **Excess Benefit**. In all events the assessment by the **IRS** of a 200% penalty against any **Insured** shall void ab initio all coverage afforded pursuant to this paragraph. For purposes of this paragraph, **Excess Benefit** means an excess benefit as defined in the Taxpayer Bill of Rights Act 2, 26 U.S.C. 4958.

Q. **Wrongful Act**

Solely with respect to **Insured Persons**, **Wrongful Act** shall also include any alleged defect in peer review or credentialing.

2. Section III, Exclusions, is amended by adding the following exclusions:

- alleging, based upon, arising out of, or attributable to any failure or omission to effect or maintain adequate insurance.
- alleging, based upon, arising out of, or attributable to the **Insured's** performance or rendering of, or failure to perform or render, medical or other professional services or treatments for others. However, this exclusion shall not apply to any **Claim** against an **Insured Person** where such **Claim** relates to peer review or credentialing processes;
- alleging, based upon, arising out of or attributable to antitrust violations, price fixing, price discriminations, unfair competition, deceptive trade practices and/or monopolies, including any actions, proceedings, **Claims** or investigations related thereto;

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Health Care Amendatory Endorsement

It is agreed that the **Policy** is amended as follows:

1. Section II, Definitions, is amended by adding the following to the definitions indicated:

B. Claim shall also mean a civil lawsuit alleging a violation pursuant to the Emergency Medical Treatment and Active Labor Act ("EMTALA"), 42 U.S.C., 1396dd et seq., and any similar state or local statute ("EMTALA Claim").

F. Insured Person also means any person who was, now is or shall become any member of any duly constituted committee of the **Company**; any individual person engaged by a duly constituted committee of the **Company** for purposes of providing an expert opinion with regard to a peer review or credentialing decision concerning an individual physician; any individual in charge of any operational department of the **Company**; or, any medical director, staff physician or faculty member of the **Company**, regardless of whether or not such person is directly employed by the **Company** or is considered an independent contractor for the **Company**.

I. Loss

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include **Defense Costs** incurred in connection with a **Claim** seeking an assessment of taxes, initial taxes, additional taxes, tax deficiencies, excise taxes or penalties pursuant to the following sections of the Internal Revenue Code of 1986:

a) **IRS Fines**

- Section 4911 (tax on excess expenditures to influence legislation);
- Section 4940(a);
- Section 4941 (taxes on self-dealing);
- Section 4942 (taxes on failure to distribute income);
- Section 4943 (taxes on excess business holding);
- Section 4944 (taxes on investments which jeopardize charitable purpose);
- Section 4945 (taxes on taxable expenditures);
- Section 6652 (c)(1)(A) and (B) (penalties for failure to file certain information returns or registration statements);
- Section 6655 (a)(1) (penalties for failure to pay estimated income tax);
- Section 6656(a) and (b) (penalties for failure to make deposit of taxes).

b) **EMTALA Coverage**

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include civil fines and penalties assessed pursuant to an **EMTALA Claim**. However, a sublimit of liability in the amount of \$250,000 shall apply to all **EMTALA Claims** made and reported during the **Policy Period or Extended Reporting Period (if applicable) combined ("EMTALA Sublimit of Liability")**. The **EMTALA Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations.

c) **Government Funding Defense Costs**

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Loss shall not include the return of funds which were received from any federal, state or local governmental agency and any interest, fines or penalties arising out of the return of such funds. Provided, however, that with regard to **Claims for Wrongful Acts** arising out of the return, or request to return such funds, this **Policy** shall pay **Defense Costs** up to an amount not to exceed \$1,000,000 ("**Government Funding Defense Costs Sublimit of Liability**"). The **Government Funding Defense Costs Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations. However, with respect to **Defense Costs** coverage afforded pursuant to this paragraph, it is agreed that the **Insurer** shall pay 50% of such **Defense Costs**, excess of a retention in the amount of \$1,000,000, up to the **Government Funding Defense Costs Sublimit of Liability**, and subject to the Limit of Liability listed on the Declarations. The remaining 50% of such **Defense Costs** shall be borne by the **Insureds** uninsured and at their own risk.

d) **Excess Benefit Penalty Coverage**

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include any **Excess Benefits** penalty assessed in the amount of 10% by the Internal Revenue Service ("**IRS**") against any **Insured(s)** for management's involvement in the award of an **Excess Benefit** and the **Defense Costs** attributable thereto. **Loss** shall specifically exclude: 1) any 25% penalty assessed by the **IRS** against an **Insured** deemed to have received an **Excess Benefit**; 2) **Defense Costs** incurred to defend any **Insured** if it has been in fact determined that such individual received an **Excess Benefit**; and 3) any 200% penalty assessed by the **IRS** for failure to correct the award of an **Excess Benefit**. In all events the assessment by the **IRS** of a 200% penalty against any **Insured** shall void ab initio all coverage afforded pursuant to this paragraph.

For purposes of this paragraph, **Excess Benefit** means an excess benefit as defined in the Taxpayer Bill of Rights Act 2, 26 U.S.C. 4958.

Q. **Wrongful Act**

Solely with respect to Insured Persons, **Wrongful Act** shall also include any alleged defect in peer review or credentialing.

2. Section III, Exclusions, is amended by adding the following **exclusions**:

- alleging, based upon, arising out of, or attributable to any failure or omission to effect or maintain adequate insurance.
- alleging, based upon, arising out of, or attributable to the **Insured's** performance or rendering of, or failure to perform or render, medical or other professional services or treatments for others. **However, this exclusion shall not apply to any Claim against an Insured Person where such Claim relates to peer review or credentialing processes;**
- alleging, based upon, arising out of or attributable to antitrust violations, price fixing, price discriminations, unfair competition, deceptive trade practices and/or monopolies, including any actions, proceedings, **Claims** or investigations related thereto;

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

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the maximum Limit of Liability for all such civil fines and penalties shall be

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Author

4. Section II, Definitions, subsection Q, is amended to add the following:

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Author

with respect to coverage provided pursuant to this endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Health Care-Education Amendatory Endorsement (FTMI Defense Costs Carveback)

It is agreed that the **Policy** is amended as follows:

1. Section II, Definitions, is amended by adding the following to the definitions indicated:
 - B. **Claim** shall also mean a civil lawsuit alleging a violation pursuant to the Emergency Medical Treatment and Active Labor Act (“**EMTALA**”), 42 U.S.C., 1396dd et seq., and any similar state or local statute (“**EMTALA Claim**”).
 - F. **Insured Person** also means any person who was, now is or shall become any member of any duly constituted committee of the **Company**; any individual person engaged by a duly constituted committee of the **Company** for purposes of providing an expert opinion with regard to a peer review or credentialing decision concerning an individual physician; any individual in charge of any operational department of the **Company**; any medical director, staff physician or faculty member of the **Company**, regardless of whether or not such person is directly employed by the **Company** or is considered an independent contractor for the **Company**; any member of the faculty, student teacher, or teaching assistant; any representative of an educational association of which the **Company** is a member; any president, regent, chancellor, provost, treasurer, vice-president, dean, personnel director, governor, executive director, risk manager, university counsel, or other comparable senior administrator of the **Company**, regardless of whether they are considered an employee of the **Company** or as an independent contractor; and, any administrator, association member, member manager or alumni council member of the **Company**.

I. Loss

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include **Defense Costs** incurred in connection with a **Claim** seeking an assessment of taxes, initial taxes, additional taxes, tax deficiencies, excise taxes or penalties pursuant to the following sections of the Internal Revenue Code of 1986:

a) IRS Fines

- Section 4911 (tax on excess expenditures to influence legislation);
- Section 4940(a);
- Section 4941 (taxes on self-dealing);
- Section 4942 (taxes on failure to distribute income);
- Section 4943 (taxes on excess business holding);
- Section 4944 (taxes on investments which jeopardize charitable purpose);
- Section 4945 (taxes on taxable expenditures);
- Section 6652 (c)(1)(A) and (B) (penalties for failure to file certain information returns or registration statements);
- Section 6655 (a)(1) (penalties for failure to pay estimated income tax);
- Section 6656(a) and (b) (penalties for failure to make deposit of taxes).

b) EMTALA Coverage

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include civil fines and penalties assessed pursuant to an **EMTALA Claim**. However, a sublimit of liability in the amount of \$250,000 shall apply to all **EMTALA Claims** made and reported during the **Policy Period** or **Extended Reporting Period** (if applicable) combined ("**EMTALA Sublimit of Liability**"). The **EMTALA Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations.

c) Government Funding Defense Costs

Loss shall not include the return of funds which were received from any federal, state or local governmental agency and any interest, fines or penalties arising out of the return of such funds. Provided, however, that with regard to **Claims** for **Wrongful Acts** arising out of the return, or request to return such funds, this **Policy** shall pay **Defense Costs** up to an amount not to exceed \$1,000,000 ("**Government Funding Defense Costs Sublimit of Liability**"). The **Government Funding Defense Costs Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations. However, with respect to **Defense Costs** coverage afforded pursuant to this paragraph, it is agreed that the **Insurer** shall pay 50% of such **Defense Costs**, excess of a retention in the amount of \$1,000,000, up to the **Government Funding Defense Costs Sublimit of Liability**, and subject to the Limit of Liability listed on the Declarations. The remaining 50% of such **Defense Costs** shall be borne by the **Insureds** uninsured and at their own risk.

d) Excess Benefit Penalty Coverage

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include any **Excess Benefits** penalty assessed in the amount of 10% by the Internal Revenue Service ("**IRS**") against any **Insured(s)** for management's involvement in the award of an **Excess Benefit** and the **Defense Costs** attributable thereto. **Loss** shall specifically exclude: 1) any 25% penalty assessed by the **IRS** against an **Insured** deemed to have received an **Excess Benefit**; 2) **Defense Costs** incurred to defend any **Insured** if it has been in fact determined that such individual received an **Excess Benefit**; and 3) any 200% penalty assessed by the **IRS** for failure to correct the award of an **Excess Benefit**. In all events the assessment by the **IRS** of a 200% penalty against any **Insured** shall void ab initio all coverage afforded pursuant to this paragraph. For purposes of this paragraph, **Excess Benefit** means an excess benefit as defined in the Taxpayer Bill of Rights Act 2, 26 U.S.C. 4958.

Q. **Wrongful Act**

Solely with respect to **Insured Persons**, **Wrongful Act** shall also include any defects in peer review, credentialing or the tenure process, including the denial or removal of tenure, educational malpractice or failure to educate, negligent instruction, failure to supervise, inadequate or negligent academic guidance or counseling, improper or inappropriate academic placement or discipline, failure to grant due process, invasion of privacy or humiliation, including violation of the Buckley Amendment, the "Uniform Student Freedom of Expression Act" if adopted by any applicable jurisdiction or the publication of defamatory material in a book, newspaper or other publication of the **Company**.

2. Section III, Exclusions, is amended by adding the following exclusions:

- alleging, based upon, arising out of, or attributable to any failure or omission to effect or maintain adequate insurance. However, solely with respect to **Claims** against directors or officers of the **Company**, this exclusion shall not apply to **Defense Costs**;
- alleging, based upon, arising out of, or attributable to the **Insured's** performance or rendering of, or failure to perform or render, medical or other professional services or treatments for others. However, this exclusion shall not apply to any **Claim** against an **Insured Person** where such **Claim** relates to peer review or credentialing processes;

- alleging, based upon, arising out of or attributable to antitrust violations, price fixing, price discriminations, unfair competition, deceptive trade practices and/or monopolies, including any actions, proceedings, **Claims** or investigations related thereto;

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Health Care-Education Amendatory Endorsement (FTMI Defense Costs Carveback)

It is agreed that the **Policy** is amended as follows:

1. Section II, Definitions, is amended by adding the following to the definitions indicated:

B. Claim shall also mean a civil lawsuit alleging a violation pursuant to the Emergency Medical Treatment and Active Labor Act ("EMTALA"), 42 U.S.C., 1396dd et seq., and any similar state or local statute ("**EMTALA Claim**").

F. Insured Person also means any person who was, now is or shall become any member of any duly constituted committee of the **Company**; any individual person engaged by a duly constituted committee of the **Company** for purposes of providing an expert opinion with regard to a peer review or credentialing decision concerning an individual physician; any individual in charge of any operational department of the **Company**; any medical director, staff physician or faculty member of the **Company**, regardless of whether or not such person is directly employed by the **Company** or is considered an independent contractor for the **Company**; any member of the faculty, student teacher, or teaching assistant; any representative of an educational association of which the **Company** is a member; any president, regent, chancellor, provost, treasurer, vice-president, dean, personnel director, governor, executive director, risk manager, university counsel, or other comparable senior administrator of the **Company**, regardless of whether they are considered an employee of the **Company** or as an independent contractor; and any administrator, association member, member manager or alumni council member of the **Company**.

I. Loss

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include **Defense Costs** incurred in connection with a **Claim** seeking an assessment of taxes, initial taxes, additional taxes, tax deficiencies, excise taxes or penalties pursuant to the following sections of the Internal Revenue Code of 1986:

a) **IRS Fines**

- Section 4911 (tax on excess expenditures to influence legislation);
- Section 4940(a);
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- Section 4942 (taxes on failure to distribute income);
- Section 4943 (taxes on excess business holding);
- Section 4944 (taxes on investments which jeopardize charitable purpose);
- Section 4945 (taxes on taxable expenditures);
- Section 6652 (c)(1)(A) and (B) (penalties for failure to file certain information returns or registration statements);
- Section 6655 (a)(1) (penalties for failure to pay estimated income tax);
- Section 6656(a) and (b) (penalties for failure to make deposit of taxes).

b) **EMTALA Coverage**

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Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include civil fines and penalties assessed pursuant to an **EMTALA Claim**. However, a sublimit of liability in the amount of \$250,000 shall apply to all **EMTALA Claims** made and reported during the **Policy Period or Extended Reporting Period** (if applicable) combined ("**EMTALA Sublimit of Liability**"). The **EMTALA Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations.

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c) **Government Funding Defense Costs**

Loss shall not include the return of funds which were received from any federal, state or local governmental agency and any interest, fines or penalties arising out of the return of such funds. Provided, however, that with regard to **Claims for Wrongful Acts** arising out of the return, or request to return such funds, this **Policy** shall pay **Defense Costs** up to an amount not to exceed \$1,000,000 ("**Government Funding Defense Costs Sublimit of Liability**"). The **Government Funding Defense Costs Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations. However, with respect to **Defense Costs** coverage afforded pursuant to this paragraph, it is agreed that the **Insurer** shall pay 50% of such **Defense Costs**, excess of a retention in the amount of \$1,000,000, up to the **Government Funding Defense Costs Sublimit of Liability**, and subject to the Limit of Liability listed on the Declarations. The remaining 50% of such **Defense Costs** shall be borne by the **Insureds** uninsured and at their own risk.

d) **Excess Benefit Penalty Coverage**

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include any **Excess Benefits** penalty assessed in the amount of 10% by the Internal Revenue Service ("**IRS**") against any **Insured(s)** for management's involvement in the award of an **Excess Benefit** and the **Defense Costs** attributable thereto. **Loss** shall specifically exclude: 1) any 25% penalty assessed by the **IRS** against an **Insured** deemed to have received an **Excess Benefit**; 2) **Defense Costs** incurred to defend any **Insured** if it has been in fact determined that such individual received an **Excess Benefit**; and 3) any 200% penalty assessed by the **IRS** for failure to correct the award of an **Excess Benefit**. In all events the assessment by the **IRS** of a 200% penalty against any **Insured** shall void ab initio all coverage afforded pursuant to this paragraph.

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For purposes of this paragraph, **Excess Benefit** means an excess benefit as defined in the Taxpayer Bill of Rights Act 2, 26 U.S.C. 4958.

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Q. **Wrongful Act**

Solely with respect to **Insured Persons**, **Wrongful Act** shall also include any **defects** in peer review, credentialing or the tenure process, including the denial or removal of tenure, educational malpractice or failure to educate, negligent instruction, failure to supervise, inadequate or negligent academic guidance or counseling, improper or inappropriate academic placement or discipline, failure to grant due process, invasion of privacy or humiliation, including violation of the Buckley Amendment, the "Uniform Student Freedom of Expression Act" if adopted by any applicable jurisdiction or the publication of defamatory material in a book, newspaper or other publication of the **Company**.

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2. Section III, Exclusions, is amended by adding the following **exclusions**:

- alleging, based upon, arising out of, or attributable to any failure or omission to effect or maintain adequate insurance. However, solely with respect to **Claims** against directors or officers of the **Company**, this exclusion shall not apply to **Defense Costs**;
- alleging, based upon, arising out of, or attributable to the **Insured's** performance or rendering of, or failure to perform or render, medical or other professional services or treatments for others. However, this exclusion shall not apply to any **Claim** against an **Insured Person** where such **Claim** relates to peer review or credentialing processes;
- alleging, based upon, arising out of or attributable to antitrust violations, price fixing, price discriminations, unfair competition, deceptive trade practices and/or monopolies, including any actions, proceedings, **Claims** or investigations related thereto;

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All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Health Care – Education Amendatory Endorsement

It is agreed that the **Policy** is amended as follows:

1. Section II, Definitions, is amended by adding the following to the definitions indicated:
 - B. **Claim** shall also mean a civil lawsuit alleging a violation pursuant to the Emergency Medical Treatment and Active Labor Act (“**EMTALA**”), 42 U.S.C., 1396dd et seq., and any similar state or local statute (“**EMTALA Claim**”).
 - F. **Insured Person** also means any person who was, now is or shall become any member of any duly constituted committee of the **Company**; any individual person engaged by a duly constituted committee of the **Company** for purposes of providing an expert opinion with regard to a peer review or credentialing decision concerning an individual physician; any individual in charge of any operational department of the **Company**; any medical director, staff physician or faculty member of the **Company**, regardless of whether or not such person is directly employed by the **Company** or is considered an independent contractor for the **Company**; any member of the faculty, student teacher, or teaching assistant; any representative of an educational association of which the **Company** is a member; any president, regent, chancellor, provost, treasurer, vice-president, dean, personnel director, governor, executive director, risk manager, university counsel, or other comparable senior administrator of the **Company**, regardless of whether they are considered an employee of the **Company** or as an independent contractor; and, any administrator, association member, member manager or alumni council member of the **Company**.

I. Loss

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include **Defense Costs** incurred in connection with a **Claim** seeking an assessment of taxes, initial taxes, additional taxes, tax deficiencies, excise taxes or penalties pursuant to the following sections of the Internal Revenue Code of 1986:

a) IRS Fines

- Section 4911 (tax on excess expenditures to influence legislation);
- Section 4940(a);
- Section 4941 (taxes on self-dealing);
- Section 4942 (taxes on failure to distribute income);
- Section 4943 (taxes on excess business holding);
- Section 4944 (taxes on investments which jeopardize charitable purpose);
- Section 4945 (taxes on taxable expenditures);
- Section 6652 (c)(1)(A) and (B) (penalties for failure to file certain information returns or registration statements);
- Section 6655 (a)(1) (penalties for failure to pay estimated income tax);
- Section 6656(a) and (b) (penalties for failure to make deposit of taxes).

b) EMTALA Coverage

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include civil fines and penalties assessed pursuant to an **EMTALA Claim**. However, a sublimit of liability in the amount of \$250,000 shall apply to all **EMTALA Claims** made and reported during the **Policy Period** or **Extended Reporting Period** (if applicable) combined ("**EMTALA Sublimit of Liability**"). The **EMTALA Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations.

c) Government Funding Defense Costs

Loss shall not include the return of funds which were received from any federal, state or local governmental agency and any interest, fines or penalties arising out of the return of such funds. Provided, however, that with regard to **Claims** for **Wrongful Acts** arising out of the return, or request to return such funds, this **Policy** shall pay **Defense Costs** up to an amount not to exceed \$1,000,000 ("**Government Funding Defense Costs Sublimit of Liability**"). The **Government Funding Defense Costs Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations. However, with respect to **Defense Costs** coverage afforded pursuant to this paragraph, it is agreed that the **Insurer** shall pay 50% of such **Defense Costs**, excess of a retention in the amount of \$1,000,000, up to the **Government Funding Defense Costs Sublimit of Liability**, and subject to the Limit of Liability listed on the Declarations. The remaining 50% of such **Defense Costs** shall be borne by the **Insureds** uninsured and at their own risk.

d) Excess Benefit Penalty Coverage

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include any **Excess Benefits** penalty assessed in the amount of 10% by the Internal Revenue Service ("**IRS**") against any **Insured(s)** for management's involvement in the award of an **Excess Benefit** and the **Defense Costs** attributable thereto. **Loss** shall specifically exclude: 1) any 25% penalty assessed by the **IRS** against an **Insured** deemed to have received an **Excess Benefit**; 2) **Defense Costs** incurred to defend any **Insured** if it has been in fact determined that such individual received an **Excess Benefit**; and 3) any 200% penalty assessed by the **IRS** for failure to correct the award of an **Excess Benefit**. In all events the assessment by the **IRS** of a 200% penalty against any **Insured** shall void ab initio all coverage afforded pursuant to this paragraph. For purposes of this paragraph, **Excess Benefit** means an excess benefit as defined in the Taxpayer Bill of Rights Act 2, 26 U.S.C. 4958.

Q. **Wrongful Act**

Solely with respect to **Insured Persons**, **Wrongful Act** shall also include any defects in peer review, credentialing or the tenure process, including the denial or removal of tenure, educational malpractice or failure to educate, negligent instruction, failure to supervise, inadequate or negligent academic guidance or counseling, improper or inappropriate academic placement or discipline, failure to grant due process, invasion of privacy or humiliation, including violation of the Buckley Amendment, the "Uniform Student Freedom of Expression Act" if adopted by any applicable jurisdiction or the publication of defamatory material in a book, newspaper or other publication of the **Company**.

2. Section III, Exclusions, is amended by adding the following exclusions:

- alleging, based upon, arising out of, or attributable to any failure or omission to effect or maintain adequate insurance;
- alleging, based upon, arising out of, or attributable to the **Insured's** performance or rendering of, or failure to perform or render, medical or other professional services or treatments for others. However, this exclusion shall not apply to any **Claim** against an **Insured Person** where such **Claim** relates to peer review or credentialing processes;

- alleging, based upon, arising out of or attributable to antitrust violations, price fixing, price discriminations, unfair competition, deceptive trade practices and/or monopolies, including any actions, proceedings, **Claims** or investigations related thereto;

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Health Care – Education Amendatory Endorsement

It is agreed that the **Policy** is amended as follows:

1. Section II, Definitions, is amended by adding the following to the definitions indicated:

B. Claim shall also mean a civil lawsuit alleging a violation pursuant to the Emergency Medical Treatment and Active Labor Act ("EMTALA"), 42 U.S.C., 1396dd et seq., and any similar state or local statute ("**EMTALA Claim**").

F. Insured Person also means any person who was, now is or shall become any member of any duly constituted committee of the **Company**; any individual person engaged by a duly constituted committee of the **Company** for purposes of providing an expert opinion with regard to a peer review or credentialing decision concerning an individual physician; any individual in charge of any operational department of the **Company**; any medical director, staff physician or faculty member of the **Company**, regardless of whether or not such person is directly employed by the **Company** or is considered an independent contractor for the **Company**; any member of the faculty, student teacher, or teaching assistant; any representative of an educational association of which the **Company** is a member; any president, regent, chancellor, provost, treasurer, vice-president, dean, personnel director, governor, executive director, risk manager, university counsel, or other comparable senior administrator of the **Company**, regardless of whether they are considered an employee of the **Company** or as an independent contractor; and any administrator, association member, member manager or alumni council member of the **Company**.

I. Loss

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include **Defense Costs** incurred in connection with a **Claim** seeking an assessment of taxes, initial taxes, additional taxes, tax deficiencies, excise taxes or penalties pursuant to the following sections of the Internal Revenue Code of 1986:

a) **IRS Fines**

- Section 4911 (tax on excess expenditures to influence legislation);
- Section 4940(a);
- Section 4941 (taxes on self-dealing);
- Section 4942 (taxes on failure to distribute income);
- Section 4943 (taxes on excess business holding);
- Section 4944 (taxes on investments which jeopardize charitable purpose);
- Section 4945 (taxes on taxable expenditures);
- Section 6652 (c)(1)(A) and (B) (penalties for failure to file certain information returns or registration statements);
- Section 6655 (a)(1) (penalties for failure to pay estimated income tax);
- Section 6656(a) and (b) (penalties for failure to make deposit of taxes).

b) **EMTALA Coverage**

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Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include civil fines and penalties assessed pursuant to an **EMTALA Claim**. However, a sublimit of liability in the amount of \$250,000 shall apply to all **EMTALA Claims** made and reported during the **Policy Period or Extended Reporting Period** (if applicable) combined ("**EMTALA Sublimit of Liability**"). The **EMTALA Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations.

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c) **Government Funding Defense Costs**

Loss shall not include the return of funds which were received from any federal, state or local governmental agency and any interest, fines or penalties arising out of the return of such funds. Provided, however, that with regard to **Claims for Wrongful Acts** arising out of the return, or request to return such funds, this **Policy** shall pay **Defense Costs** up to an amount not to exceed \$1,000,000 ("**Government Funding Defense Costs Sublimit of Liability**"). The **Government Funding Defense Costs Sublimit of Liability** shall be part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations. However, with respect to **Defense Costs** coverage afforded pursuant to this paragraph, it is agreed that the **Insurer** shall pay 50% of such **Defense Costs**, excess of a retention in the amount of \$1,000,000, up to the **Government Funding Defense Costs Sublimit of Liability**, and subject to the Limit of Liability listed on the Declarations. The remaining 50% of such **Defense Costs** shall be borne by the **Insureds** uninsured and at their own risk.

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d) **Excess Benefit Penalty Coverage**

Notwithstanding any other provisions in this definition of **Loss** to the contrary, **Loss** shall also include any **Excess Benefits** penalty assessed in the amount of 10% by the Internal Revenue Service ("**IRS**") against any **Insured(s)** for management's involvement in the award of an **Excess Benefit** and the **Defense Costs** attributable thereto. **Loss** shall specifically exclude: 1) any 25% penalty assessed by the **IRS** against an **Insured** deemed to have received an **Excess Benefit**; 2) **Defense Costs** incurred to defend any **Insured** if it has been in fact determined that such individual received an **Excess Benefit**; and 3) any 200% penalty assessed by the **IRS** for failure to correct the award of an **Excess Benefit**. In all events the assessment by the **IRS** of a 200% penalty against any **Insured** shall void ab initio all coverage afforded pursuant to this paragraph.

For purposes of this paragraph, **Excess Benefit** means an excess benefit as defined in the Taxpayer Bill of Rights Act 2, 26 U.S.C. 4958.

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Q. **Wrongful Act**

Solely with respect to Insured Persons, **Wrongful Act** shall also include any **defects** in peer review, credentialing or the tenure process, including the denial or removal of tenure, educational malpractice or failure to educate, negligent instruction, failure to supervise, inadequate or negligent academic guidance or counseling, improper or inappropriate academic placement or discipline, failure to grant due process, invasion of privacy or humiliation, including violation of the Buckley Amendment, the "Uniform Student Freedom of Expression Act" if adopted by any applicable jurisdiction or the publication of defamatory material in a book, newspaper or other publication of the **Company**.

2. Section III, Exclusions, is amended by adding the following **exclusions**:

- alleging, based upon, arising out of, or attributable to any failure or omission to effect or maintain adequate insurance;
- alleging, based upon, arising out of, or attributable to the **Insured's** performance or rendering of, or failure to perform or render, medical or other professional services or treatments for others. However, this exclusion shall not apply to any **Claim** against an **Insured Person** where such **Claim** relates to peer review or credentialing processes;

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- alleging, based upon, arising out of or attributable to antitrust violations, price fixing, price discriminations, unfair competition, deceptive trade practices and/or monopolies, including any actions, proceedings, **Claims** or investigations related thereto;

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with respect to coverage provided pursuant to this endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Amend Territory Provision

It is agreed that any provision in this **Policy** pertaining to coverage to **Wrongful Acts** or **Claims** made or **Loss** sustained anywhere outside the United States of America is amended to add the following:

Such coverage shall only apply where legally permissible.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Amend Exclusions A and B

It is agreed that Section III, Exclusions, subsections A and B, are deleted in their entirety and the following are inserted:

- A. alleging, based upon, arising out of, or attributable to the gaining in fact of any profit, remuneration or financial advantage to which any **Insured** was not legally entitled. However, this exclusion shall not apply unless and until there is a judgment, final adjudication or alternate dispute resolution proceeding adverse to an **Insured** as to such conduct.

- B. alleging, based upon, arising out of, or attributable to any deliberately fraudulent or deliberately criminal act, error or omission. However, this exclusion shall not apply unless and until there is a judgment, final adjudication or alternate resolution proceeding adverse to an **Insured** as to such conduct.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Amended Insured vs. Insured Exclusion

It is agreed that Section III, Exclusions, subsection E is amended by adding the following:

Whistleblower Conduct by an **Insured Person**, other than a director, as set forth in 18 U.S.C. 1514A, shall not be considered solicitation, assistance, active participation, or intervention of an **Insured Person**.

For the purpose of this endorsement, Whistleblower Conduct is any of the activity set forth in Sec. 1514A(a), engaged in by a whistleblower with a Federal regulatory or law enforcement agency, Member of Congress or any committee of Congress, or person with supervisory authority over the employee, or an enforcement action by the whistleblower set forth in Sec. 1514A (b).

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective
			to
Issued By (Name of Insurance Company)			

Personal Profit Exclusion

It is agreed that Section III, Exclusions, subsection A, is deleted in its entirety and the following is inserted:

- A. alleging, based upon, arising out of, or attributable to the gaining of any profit, remuneration or financial advantage to which any **Insured** was not legally entitled. However, this exclusion shall not apply unless and until there is a judgment, final adjudication or an alternative dispute resolution proceeding adverse to any **Insured** as to such conduct.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Waiver of Application (No Underlying Application)

It is agreed that the **Insurer** has relied upon the information and materials ("**Information and Materials**") submitted by or on behalf of the **Insureds**: (i) to the **Insurer** in connection with the underwriting of this **Policy**, or (ii) to the **Insurer**, or to any insurer of any policy, in connection with the underwriting of any policy of which this **Policy** is a direct or indirect renewal or replacement ("**Prior Insurers**"), as being accurate and complete. The application for this **Policy** and any **Prior Insurer** shall include any **Information and Materials** submitted to such insurer, as well as **Information and Materials** submitted to a **Prior Insurer** prior to the underwriting of such policy. It is further agreed that the **Insureds** warrant and represent to the **Insurer** that such **Information and Materials** were accurate on the date such statements were so given and that in connection therewith the **Insureds** hereby reaffirm each and every statement made in the **Information and Materials** submitted as if it was made to the **Insurer** on such date. All such statements shall be deemed to be material to the risk assumed by the **Insurer**, are the basis of this **Policy** and are to be considered incorporated into this **Policy**.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative



Management Liability Stock Options Supplemental Application

Please fully answer all questions below and submit all requested information. This Supplemental Application, including all materials submitted herewith, shall be held in confidence.

1. Does the Company issue stock options? Yes No
2. Does the Company have a procedure or policy in place for the issuance of stock options? Yes No
If **Yes**, is the policy or procedure in writing? Yes No
If in writing, attach a copy of all materials setting forth the Company's policies and procedures applicable to the issuance of stock options since the enactment of the Sarbanes-Oxley Act of 2002.
3. Did the Company issue stock options prior to the enactment of the Sarbanes-Oxley Act of 2002? Yes No
4. Prior to the enactment of the Sarbanes-Oxley Act of 2002, did the Company have a procedure of policy in place for the issuance of stock options? Yes No
If **Yes**, was the policy or procedure in writing? Yes No
If in writing, attach a copy of all materials setting forth the Company's policies and procedures prior to the enactment of the Sarbanes-Oxley Act of 2002 applicable to the issuance of stock options.
5. Has the Company ever backdated stock options? Yes No
If **Yes**, set forth:
 - a. how the grant dates were chosen: _____
 - b. who chose the grant dates: _____
 - c. if the grant dates were approved by: a compensation committee,
 some other committee,
 a portion of the board of directors, or
 the entire board of directors
 - d. whether the grant dates were chosen in accordance with Company policies and procedures Yes No
 - e. whether the backdating of the stock options was disclosed to shareholders and the method and form of such disclosure: Yes No, _____
 - f. if expenses related to the issuance of the backdated options were recognized in reporting periods the options were issued. Yes No
6. Has the Company received any subpoenas, document requests, formal or informal investigative orders, or any other requests of any kind for information, from the Securities and Exchange Commission, any United States Attorney, or any other federal or state administrative, regulatory or law enforcement agency related to the granting of stock options? Yes No

7. Since the passage of the Sarbanes-Oxley Act of 2002, has the Company conducted an Yes No internal review of its policy or procedure regarding the issuance of stock options?

If **Yes**, set forth the date of review: _____, and the results: _____

8. Has the Company issued stock options on dates when it has not held a board meeting? Yes No

If **Yes**, set forth the policy or procedure for such issuance: _____
_____ and if the Board of Directors ultimately approves such action. Yes No

9. Are all Form 3, Form 4, and Form 5 filings made in a timely fashion by the general Yes No counsel's office?

TO BE COMPLETED BY ALL APPLICANTS

None of the Insureds is responsible for or has knowledge of any Wrongful Act or fact, circumstance or situation related to the grant, issuance, or backdating of, or policies or procedures applicable to, stock options, which (s)he has reason to suppose might result in a future Claim, except as follows: If "NONE", please check this box

It is agreed by all concerned that if any of the Insureds is responsible for or has knowledge of any Wrongful Act, fact, circumstance, or situation related to the grant, issuance, or backdating of, or policies or procedures applicable to, stock options, which (s)he has reason to suppose might result in a future Claim, whether or not described above, any such Claim subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.

This Supplemental Application shall be maintained on file by the Insurer, shall be deemed attached as if physically attached to the proposed Policy and shall be considered as incorporated into and constituting a part of the Application and the proposed Policy.

This portion of the supplemental application must be signed by the Chairman of the Board or by the President.

Signed: _____
Title: _____
Corporation: _____
Date: _____

A POLICY CANNOT BE ISSUED UNLESS THE APPLICATION IS PROPERLY SIGNED AND DATED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Common Claims – Capping of Limits Endorsement

It is agreed that Section VII, Limit of Liability, is amended by adding the following:

Notwithstanding any terms or conditions of this **Policy** which might be construed otherwise, the maximum liability of the **Insurer** and any of its affiliates under this **Policy** and the other policies listed below issued to the **Named Insured** ("**Other Policy(ies)**"), combined, with respect to any **Claim** or series of **Claims** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes, shall be the highest Limit of Liability under this **Policy** and the **Other Policy(ies)**, and shall not exceed the highest Limit of Liability of this **Policy** or the **Other Policy(ies)**. Nothing in this endorsement shall serve to increase the Limit of Liability of this **Policy** or the **Other Policy(ies)**, which shall be the maximum liability of the Insurer under the applicable policy.

	Other Policies	
<u>Insurer</u>	<u>Named Insured</u>	<u>Policy Number</u>

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Capping of Limits Endorsement

It is agreed that Section VII, Limit of Liability, is amended by adding the following:

- Notwithstanding any terms or conditions of this **Policy** which might be construed otherwise, the maximum aggregate liability of the **Insurer** and any of its affiliates under this **Policy** and the other policies listed below issued to the **Named Insured** ("**Other Policy(ies)**"), combined, shall be the highest Limit of Liability under this **Policy** and the **Other Policy(ies)**, and shall not exceed the highest Limit of Liability of this **Policy** or the **Other Policy(ies)**. Nothing in this endorsement shall serve to increase the Limit of Liability of this **Policy** or the **Other Policy(ies)**, which shall be the maximum liability of the **Insurer** under the applicable policy.

Other Policies:

Insurance Company

Named Insured

Policy Number

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective
			to
Issued By (Name of Insurance Company)			

Amend Securities Claim, Administrative Or Regulatory Proceeding Claim Against Entity

It is agreed that Section II, Definitions, subsection O, **Securities Claim**, is amended to add the following:

Notwithstanding the foregoing, with respect to Insuring Agreement C, **Company** Liability, **Securities Claim** shall include an administrative or regulatory proceeding against the **Company** only so long as such administrative or regulatory proceeding is brought and maintained concurrently against an **Insured Person** as defined in Section II, Definitions, subsection F, **Insured Person**, paragraphs 1 and 2.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Company Securities Liability Removal, Amended Allocation

It is agreed that:

1. Section I, Insuring Agreements, subsection C, **Company Liability**, is deleted in its entirety.
2. Section XII, Allocation, subsection A, is deleted in its entirety and inserted with the following:

A.I. In connection with any **Securities Claim**:

- (i) for any **Securities Claim** made and maintained exclusively against **Insured Persons**, this **Policy** shall provide coverage for 100% of otherwise covered **Loss** incurred by **Insured Persons**, subject to the terms and conditions of this **Policy**;
- (ii) for any **Securities Claim** not made against any **Insured Persons**, this **Policy** shall not provide any coverage for **Loss**;
- (iii) for each other **Securities Claim**, but only if and during the time that such **Securities Claim** is continuously maintained against an **Insured Person**, this **Policy** shall pay 100% of any otherwise covered **Loss** consisting of:
 - a. **Defense Costs** jointly incurred by;
 - b. joint settlement entered into in compliance with Section X, Defense And Settlement, by; or
 - c. judgment of joint and several liability against,

the **Company** and any **Insured Person**.

Provided, however, in the event of a misrepresentation or omission by the Chief Executive Officer and/or Chief Financial Officer made with the intent to deceive or which materially affects either the acceptance of the risk or the hazard assumed by the **Insurer** under this **Policy**, as set forth in Endorsement No. _____, Side A and B, Full Severability (In Conjunction with Deletion of Side C and Amended Allocation), then there shall be a fair and equitable allocation as between the **Company** and the **Insured Person** based upon the relative legal and financial exposures and the relative benefits obtained by the **Company** and the **Insured Person**.

- A.II. In connection with any **Claim** other than a **Claim** that is a **Securities Claim**, if and during the time that such **Claim** is continuously maintained against an **Insured Person**, with respect to:
- a. **Defense Costs** jointly incurred by;
 - b. joint settlement entered into in compliance with Section X, Defense And Settlement, by; or

c. judgment of joint and several liability against,

any **Company** and any **Insured Person**, there shall be a fair and equitable allocation as between the **Company** and the **Insured Person** based upon the relative legal and financial exposures and the relative benefits obtained by the **Company** and the **Insured Person**.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

**Side A and B, Full Severability
(In Conjunction With Deletion of Side C and Amended Allocation)**

It is agreed that Section XVI, Representations, subsection B, is deleted in its entirety and inserted with the following:

- B. In the event the **Application**, including materials submitted or required to be submitted therewith, contains any misrepresentation or omission made with the intent to deceive or which materially affects either the acceptance of the risk or the hazard assumed by the **Insurer** under this **Policy**:
1. With respect to Insuring Agreements A, B and D, this **Policy** shall be void ab initio as to any **Insured** who knew the facts misrepresented or the omissions, whether or not such **Insured** knew the **Application** contained such misrepresentation or omission. For purposes of this paragraph, the knowledge of any one **Insured** shall not be imputed to any other **Insured**.

Solely with respect to Insuring Agreement A, the **Insurer** agrees that it shall not seek to rescind the **Policy** with respect to any remaining **Insured Person** who did not know the facts misrepresented or the omissions.

2. With respect to any otherwise covered **Loss** under Endorsement No. _____, Company Securities Liability Removal, Amended Allocation, paragraph 2.A.I.(iii), this **Policy** shall be void ab initio as to that portion of the **Loss** attributable to the **Company** if the Chief Executive Officer and/or Chief Financial Officer knew the facts misrepresented or the omissions, whether or not such **Insured Person(s)** knew of the **Application** or this **Policy**. In such an event, there shall be a fair and equitable allocation as between the **Company** and the **Insured Person** based upon the relative legal and financial exposures and the relative benefits obtained by the **Company** and the **Insured Person**.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Presumptive Indemnification Amended

It is agreed that Section XI, Presumptive Indemnification, subsection A, is deleted in its entirety and the following is inserted:

The **Company** agrees to indemnify the **Insured Persons** to the fullest extent permitted by law, taking all steps necessary or advisable in furtherance thereof, including the making in good faith of any application for court approval.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective
			to
Issued By (Name of Insurance Company)			

Amend Securities Claim

It is agreed that Section II, Definitions, subsection O, **Securities Claim**, is deleted in its entirety and the following is inserted:

- O. Securities Claim** means any **Claim**, other than a civil, criminal, administrative or regulatory investigation of a **Company**, which, in whole or in part, is:
1. brought by one or more securities holders of the **Company**, in their capacity as such, including derivative actions brought by one or more shareholders to enforce a right of the **Company**; or
 2. alleging a violation of any federal, state, local or foreign regulation, rule or statute, or any common law, regulating securities, including but not limited to the purchase or sale of, or offer to purchase or sell, or solicitation of any offer to purchase or sell, any securities issued by the **Company**, whether such purchase, sale, offer or solicitation involves a transaction with the **Company** or occurs in the open market, including any such **Claim** brought by the Securities and Exchange Commission or any other claimant.

The foregoing Definition of **Securities Claim** shall not include any **Claim** brought by any director, officer, governor, trustee, general counsel, risk manager, manager, member of the board of managers, executive or employee of a **Company** alleging, arising out of, based upon or attributable to the loss of, or failure to receive or obtain, the benefit of stock, stock warrants, stock options or other securities of a **Company**.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective
Issued By (Name of Insurance Company)			

Derivative Investigation Endorsement

It is agreed that the **Policy** is amended as follows:

1. Section I, Insuring Agreements, is amended to add the following:

E. Derivative Investigation Coverage

The **Insurer** shall pay on behalf of the **Company** up to \$ _____ in **Derivative Investigation Costs** incurred by the **Company** as a result of a **Shareholder Derivative Demand** first received by the **Company's** Board of Directors during the **Policy Period** or any applicable **Extended Reporting Period**.

2. Section II, Definitions, is amended by adding the following:

- **Derivative Investigation Costs** means reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses incurred by the **Company** or its board of directors or any committee of the board of directors in investigating, analyzing or evaluating on behalf of the **Company** a **Shareholder Derivative Demand**, but shall not include regular or overtime wages, salaries or fees of the directors, officers or employees of the **Company**.
- **Shareholder Derivative Demand** means a written demand on the board of directors of the **Company** by one or more shareholders of the **Company** to assert a **Claim** on behalf of the **Company** against one or more **Insured Persons** for a **Wrongful Act**.

4. Item 4 of the Declarations is amended by adding the following:

E. Retention for **Loss** under Insuring Agreement E: \$ _____ each **Claim**

5. The Insurer's maximum **Limit of Liability** for **Derivative Investigation Costs** shall be \$ _____. This Sub-limit of Liability shall be part of and not in addition to the **Aggregate Limit of Liability** stated in Item 3 of the Declarations and will in no way serve to increase the **Insurer's Limit of Liability** as provided therein.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Amend Notice Period

It is agreed that Section IX, Notice, subsection A, is deleted in its entirety and the following is inserted:

The **Insureds** shall, as a condition precedent to their rights under this **Policy**, give to the **Insurer** written notice of any **Claim** made against the **Insureds** as soon as practicable after the general counsel or risk manager, or equivalent positions, first learn of the **Claim**, but in no event later than: (i) the termination of the **Policy Period** or, if elected, the **Extended Reporting Period**; or (ii) with respect to any **Claim** first made during the last 60 days of the **Policy Period**, or, if elected, the **Extended Reporting Period**, 60 days after termination of the **Policy Period**, or if elected, **Extended Reporting Period**.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Extradition Proceeding

It is agreed that:

1. Section II, Definitions, subsection B, **Claim**, is amended to add the following:

Claim also means an **Extradition Proceeding**.

2. Section II, Definitions, subsection I, **Loss**, is amended to add the following:

Loss also means, where permissible by law: (i) **Defense Costs** incurred by an **Insured Person** in connection with the defense or appeal of an **Extradition Proceeding**; and, (ii) the premium for a bail bond, if bail is available for an **Extradition Proceeding** in the country at issue, but the **Insurer** shall be under no obligation to provide such bail bond.

3. Section II, Definitions, is amended to add the following:

Extradition Proceeding means a formal written request, pursuant to an applicable treaty, from one country (the "**Requesting Country**") to another country (the "**Requested Country**") to have an **Insured Person** extradited from the **Requested Country** to the **Requesting Country**.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective
			to
Issued By (Name of Insurance Company)			

Public Offering Endorsement

It is agreed that:

1. Section II, Definitions, subsection I, **Loss**, paragraph 5, is deleted in its entirety and the following is inserted:
 5. matters uninsurable under the laws pursuant to which this **Policy** is construed, including but not limited to damages or settlements which are in the nature of restitution, disgorgement or the return of ill-gotten gains. Provided, however, that the **Insurer** shall not assert that the portion of any settlement in a **Securities Claim** alleging violations of Section 11 or 12 of the Securities Act of 1933, as amended, constitutes restitution, disgorgement or the return of ill-gotten gains.
2. Section III, Exclusions, subsection A, is amended to add the following:

Provided, however, this exclusion shall not apply to that portion of any settlement in a **Securities Claim** alleging violations of Section 11 or 12 of the Securities Act of 1933, as amended, on the grounds that such settlement constitutes restitution, disgorgement or the return of ill-gotten gains.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Retention – Securities Claim

It is agreed that Item 4 of the Declarations is deleted in its entirety and the following is inserted:

- Item 4. Retention:
- A. Insuring Agreement A: \$ 0 each Claim
 - B. Insuring Agreement B
(Securities Claims): \$ each Claim
 - C. Insuring Agreement B
(all other Claims): \$ each Claim
 - D. Insuring Agreement C: \$ each Claim

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective
Issued By (Name of Insurance Company)			

Amend Former Executive Carveback

It is agreed that Section III, Exclusions, subsection E, paragraph 3, is deleted in its entirety and the following is inserted:

3. any **Claim** brought by any past **Insured Person** of the **Company** who has not provided service as a duly elected or appointed director, officer, trustee, governor, management committee member, member of the management board, general counsel, risk manager (or equivalent position) of or consultant for the **Company** for at least three years prior to such **Claim** being first made against any person;

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective
Issued By (Name of Insurance Company)			

ERP, Time For Notice

It is agreed that the second sentence of Section VI, Extended Reporting Period, subsection A, is deleted in its entirety and the following is inserted:

This right to continue coverage shall lapse unless the **Named Insured** gives written notice of such election and pays the **Extended Reporting Period** premium to the **Insurer** within ___ days following the effective date of termination or nonrenewal.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective
Issued By (Name of Insurance Company)			

Payment Priority Amended, Independent Directors Instead Of Chief Executive Officer

It is agreed that Section XV, Payment Priority, subsection B, is deleted in its entirety and the following is inserted:

- B. Subject to the foregoing paragraph, the **Insurer** shall, upon receipt of a written request from a majority of the independent directors of the **Named Insured**, delay any payment of **Loss** otherwise due and owing to or on behalf of the **Company** until such time as a majority of the independent directors of the **Named Insured** designates, provided the liability of the **Insurer** with respect to any such delayed **Loss** payment shall not be increased, and shall not include any interest, on account of such delay.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective
			to
Issued By (Name of Insurance Company)			

Non-Rescindable Coverage

It is agreed that Section XVI, Representations, subsection B, is deleted in its entirety and the following is inserted:

- B. In the event the **Application**, including materials submitted or required to be submitted therewith, contains any misrepresentation or omission made with the intent to deceive or which materially affects either the acceptance of the risk or the hazard assumed by the **Insurer** under this **Policy**, this **Policy** shall:
1. with respect to Insuring Agreement A, not afford coverage for any **Claim** based upon, arising out of, or attributable to any untruthful or inaccurate statements, representations or information by any **Insured Person** who knew the facts misrepresented or the omissions, whether or not such **Insured Person** knew of the **Application** or this **Policy**. For purposes of this paragraph 1, the knowledge of an **Insured Person** shall not be imputed to any other **Insured Person**; and
 2. with respect to Insuring Agreement B, not afford coverage for any **Claim** based upon, arising out of, or attributable to any untruthful or inaccurate statements, representations or information by any **Insured Person** who knew the facts misrepresented or the omissions, whether or not such **Insured Person** knew of the **Application** or this **Policy**. For purposes of this paragraph 2, the knowledge of an **Insured Person** shall not be imputed to any other **Insured Person**; and
 3. with respect to Insuring Agreement C, shall be void ab initio as to any **Company** if the chief executive officer or chief financial officer of the **Company** knew the facts misrepresented or the omissions, whether or not such chief executive officer or chief financial officer knew of the **Application** or this **Policy**. For purposes of this paragraph 3, the knowledge of only the chief executive officer or chief financial officer of the **Company** shall be imputed to the **Company**; and
 4. with respect to Insuring Agreement D, shall be void ab initio as to any **Insured Person** who knew the facts misrepresented or the omissions, whether or not such **Insured Person** knew of the **Application** or this **Policy**. For purposes of this paragraph 4, the knowledge of an **Insured Person** shall not be imputed to any other **Insured Person**.

The **Insurer** agrees that with respect to Insuring Agreements A and B, it shall not seek to rescind the **Policy** with respect to any **Insured**.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective
			to
Issued By (Name of Insurance Company)			

Section 11 Or 12 Endorsement

It is agreed that:

1. Section II, Definitions, subsection I, **Loss**, paragraph 5, is deleted in its entirety and the following is inserted:

5. matters uninsurable under the laws pursuant to which this **Policy** is construed. Provided, however, that the **Insurer** shall not assert that the portion of any amounts representing a settlement, judgment or **Defense Costs** in a **Securities Claim** alleging violations of Section 11 or 12 of the Securities Act of 1933, as amended, constitutes uninsurable loss, and shall treat such amounts as **Loss** under the **Policy**.

2. Section III, Exclusions, subsection A, is amended to add the following:

Provided, however, this exclusion shall not apply in a **Securities Claim** alleging violations of Section 11 or 12 of the Securities Act of 1933, as amended, to the portion of any **Loss** attributable to such violations.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective
			to
Issued By (Name of Insurance Company)			

Amend Insured Person

It is agreed that Section II, Definitions, subsection F, **Insured Person**, paragraph 1, is deleted in its entirety and the following is inserted:

1. a duly elected or appointed director, officer, governor, trustee (excluding the bankruptcy trustee), general counsel, and risk manager of the **Company**, and, additionally, the following positions:
 - a. _____;
 - b. _____;
 - c. _____;
 - d. _____; and,

where the **Company** is incorporated outside the United States, the functional equivalent;

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective
			to
Issued By (Name of Insurance Company)			

Amended Pending and Prior Date – Limits

It is agreed that Item 6 of the Declarations is deleted in its entirety and the following is inserted:

Item 6. Prior or Pending Proceeding Date:

A. The initial Limit of Liability of \$_____:

Prior or Pending Proceeding Date: _____

B. The Limit of Liability of \$_____ in excess of \$_____:

Prior or Pending Proceeding Date: _____

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective
Issued By (Name of Insurance Company)			

Pollution Exclusion Endorsement

It is agreed that the last sentence of the first paragraph of Section III, Exclusions, subsection I, is deleted in its entirety and the following is inserted:

However, this exclusion shall not apply, except as to **Clean Up Costs**, to any: (i) **Securities Claim**; or, (ii) **Claim** against **Insured Persons** for which the **Company** does not indemnify the **Insured Persons** either because the **Company** is neither permitted nor required to grant such indemnification, because of the appointment by any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate the **Company**, or because of the **Company** becoming a debtor-in-possession.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative

SERFF Tracking Number: ACEH-125351961 *State:* Arkansas
Filing Company: ACE American Insurance Company *State Tracking Number:* EFT \$50
Company Tracking Number: 07-PR-388
TOI: 17.0 Other Liability - Claims Made/Occurrence *Sub-TOI:* 17.0006 Directors & Officers Liability
Product Name: 07-PR-388
Project Name/Number: Management Protection Policy D&O Forms/07-PR-388

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: ACEH-125351961 State: Arkansas
Filing Company: ACE American Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: 07-PR-388
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0006 Directors & Officers Liability
Product Name: 07-PR-388
Project Name/Number: Management Protection Policy D&O Forms/07-PR-388

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 01/09/2008

Comments:

Attachments:

NAIC Transmittal (AR).pdf
NAIC Forms Transmittal.pdf

Satisfied -Name: Explanatory Memo **Review Status:** Approved 01/09/2008

Comments:

Attachment:

Filing Memo_Supp Filing 4Q2007.pdf

Satisfied -Name: Amendatory Endorsement -
Arkansas **Review Status:** Approved 01/09/2008

Comments:

Copy of previously filed amendatory endorsement.

Attachment:

AR Amendatory_PF19714.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;"> <tr> <td style="width: 50%;">New Business</td> <td></td> </tr> <tr> <td>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 #
ACE USA	626

4. Company Name(s)	Domicile	NAIC #	FEIN #
ACE American Insurance Company	PA	22667	95-2371728

5. Company Tracking Number	07-PR-388
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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
	Robert Wolfrom 510 Walnut Street WB04G Philadelphia PA 19106	Sr Regulatory Specialist	(215) 640-5123	(215) 640-4986	Robert.Wolfrom@ace-ina.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Robert Wolfrom

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

9.	Type of Insurance (TOI)	Other Liability
10.	Sub-Type of Insurance (Sub-TOI)	Directors & Officers Liability
11.	State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12.	Company Program Title (Marketing title)	Management Protection Policy D&O Forms Supplement
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: Upon approval Renewal: Upon approval

Property & Casualty Transmittal Document---

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	11/08/2007
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

20.	This filing transmittal is part of Company Tracking #	07-PR-388
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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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We are filing new and revised supplemental endorsements for use with our previously approved Management Protection Policy including a supplemental application. The forms will use the Directors and Officers Liability Rating Plan and general rules approved under the prior filing.

22.	<p>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]</p> <p>Check #: N/A (EFT) Amount: \$50.00 (via EFT)</p> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>
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*****Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

These pages are informational only and do not need to be submitted with your filings!

Notes for Uniform Property & Casualty Transmittal Document

DESCRIPTION OF ITEMS IN THE PROPERTY AND CASUALTY TRANSMITTAL DOCUMENT

- 1. Reserved for Insurance Dept. Use Only**—this section is for anything the Dept. wishes to capture—such as date stamps, approval stamps, check routing numbers, accounting codes, etc.
- 2. Insurance Department Use Only Box:** Includes the following information: (It is up to the state to determine which, if any, of this info they wish to record—or it may be recorded in #1 box with stamps (for example))
 - a. Date the filing is received by the Insurance Dept.**
 - b. Analyst**—lead analyst who reviewed the filing and assigns final disposition
 - c. Disposition**—this is the disposition that the Dept. assigns—authorized, approved, filed, withdrawn, disapproved, informational only, etc.
 - d. Date of Disposition of the filing**—date filing is finished
 - e. Effective Date of the Filing**—date the filing goes into effect. This date may vary by state—it might be the “approval” date in some states. It might be the implementation date in some states. It might be the received date in some states. The Dept. should use the date that is applicable in their state.
 - f. State Filing #:** The number the state assigns to the filing (if applicable).
 - g. SERFF Filing #:** Some states may use SERFF to track paper filings and will use that SERFF assigned number.
 - h. Subject Codes** – This field is intended to capture one or more Subject Codes for states to track particular attributes of a filing, such as mold exclusions. The codes or terms used would be variable by state.
- 3. Group Name and Group NAIC #** as assigned by NAIC.
- 4. Company Name(s), State of Domicile, NAIC #, FEIN#, State #:** Every company to which this filing applies must be listed and the company information must be supplied, with the exception of the State # (the company specific code) if not available or not required by the filing jurisdiction. A filing that lists a group without supplying company info will not be accepted in most states.
- 5. Company Tracking Number:** The filing number assigned by the insurance company, if any.
- 6. Contact Info of Filer or Corporate Officer:** The company should supply the information on the person the state should contact if there is a question/problem with the filing. If there is more than one person (perhaps, one for rates, one for forms) then both should be listed.
- 7. Signature of authorized filer:** Some states require a signature of the authorized filer. If the filer is third party, a letter of authorization from the insurer must be submitted according to state requirements.
- 8. Please print name of authorized filer:** So we can decipher #7 above!
- 9. Type of Insurance (TOI):** Refer to Uniform Property & Casualty Product Coding Matrix. This corresponds to the column entitled “SERFF Type of Insurance” and roughly corresponds to the annual statement line of business.
- 10. Sub-type of Insurance (Sub-TOI):** Refer to Uniform Property & Casualty Product Coding Matrix. This corresponds to the column entitled “SERFF Sub-Type of Insurance”.
- 11. State Specific Product code(s):** See State Specific Requirements for these codes
- 12. Company Program Title:** Marketing title, if applicable.
- 13. Filing Type:** Choices are Rate/Loss Cost; Rules; Rates/Rules; Forms; Withdrawal; Other.

14. Effective Date Requested: This is the effective date the company requested when they made the filing. It is not necessarily the date the filing officially becomes effective. This is also where the company can indicate the different effective dates for new or renewal business.

15. Reference Filing: Yes/No

16. Reference Organization (if applicable): The name of the advisory organization—i.e. ISO, NCCI, AAIS, etc. or an Insurance Company name if “me too filing” is permitted. Some states allow companies to reference another company’s filing. A “me too” filing is when one company adopts another company’s filing. Usually they are not part of the same group. You should check with each state to determine their rules on these filings. If permitted, use this area to indicate either an advisory organization name or “me too” company name.

17. Reference Organization Number & Title (if applicable): This is the unique number that the reference organization gives to the filing. It is generally not the same number as the circular number.

18. Company’s Date of filing: The date the company sends the filing.

19. Status of filing in domicile: Place for the company to show if filing has been filed in domicile and its status.

20. This filing transmittal is part of Company Tracking #: This ties all of the pages of the transmittal to the same filing. It is helpful for the state.

21. Filing Description: This area can be used in lieu of a cover letter or filing memorandum and is free-form text.

22. Filing Fees: Please refer to each state’s checklist for additional state specific requirements or instructions on calculating fees.

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 #	07-PR-388			
2.	This filing corresponds to rate/rule filing number <small>(Company tracking number of rate/rule filing, if applicable)</small>	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	See attached Form Schedule		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

Effective March 1, 2007

This page is informational only and do not need to be submitted with your filings!

**Notes for Form Filing Transmittal
DESCRIPTION OF ITEMS IN THE FORM FILING SCHEDULE**

FORM FILING SCHEDULE

- 1. This filing transmittal is part of Company Tracking #:** This ties all of the pages of the transmittal to the same filing. It is helpful for the state
- 2. This filing corresponds to rate/rule filing number:** Many states require that rates and forms be submitted separately due to different review procedures that are required by law. For those states, this will tie the form filing with the associated rate filing, if there is one.
- 3. Exhibit/Form Name/Description/Synopsis:** This is a list of forms being filed. **Do not refer to the body of the filing for a separate forms listing, unless allowed by state. This is required information and is required here.** The line numbers below this are to help the Departments that track the number of forms they receive.

ACE American Insurance Company

Management Protection Policy

Filing Memorandum

ACE American Insurance Company currently has forms, rates and rules on file with your department which are applicable to our Management Protection Policy. We are now submitting supplemental endorsements for use with the Policy including a supplemental application.

These forms will use the rating plan already on file with your state. Specifically, the forms will utilize the Directors and Officers Liability Rating Plan filed/approved under company filing number 2006-PR-101, along with the corresponding general rules approved under this prior filing.

A forms list is being included with this filing which contains the name, number, and edition date of each new form being introduced. The forms list also indicates if each form is new or a revision to an existing form, whether each form broadens, restricts, and/or clarifies coverage, has rate impact, and if mandatory or optional.

Please refer to the attached Reference Filing Numbers exhibit for prior state filing numbers, if applicable.

A. Forms

All previously filed and approved versions of the health care related forms will be replaced by the amended forms upon approval. Marked up versions of the changes are provided for your reference. All other forms submitted in this filing are new for use with the Policy.

Form # Edition Date Title

See the enclosed list.

B. Rules and Rates

No changes to the Company Manual.

All previously filed and approved versions of the Directors and Officers Liability Company Manual, Rating Plan and State Exception Page(s) will remain in effect as filed and approved.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
			to
Issued By (Name of Insurance Company)			

Amendatory Endorsement - Arkansas

IF THERE IS ANY CONFLICT BETWEEN THE **POLICY**, OTHER ENDORSEMENTS TO THE **POLICY** AND THIS ENDORSEMENT, THE TERMS PROVIDING THE BROADEST COVERAGE INSURABLE UNDER APPLICABLE LAW SHALL PREVAIL.

It is agreed that:

1. Section VI of the **Policy**, EXTENDED REPORTING PERIOD, is deleted in its entirety and the following is inserted:

VI. EXTENDED REPORTING PERIODS

If the **Insurer** or the **Named Insured** terminates or does not renew this **Policy**, the **Named Insured** shall have the right to a continuation of the coverage granted by this **Policy** for the Optional Extended Reporting Period, if elected, and the Automatic Extended Reporting Period as follows:

A. Automatic Extended Reporting Period

The **Named Insured** shall have continued coverage granted by this **Policy** for a period of 60 days following the effective date of such termination or nonrenewal, but only with respect to **Claims** first made during such 60 days and arising from **Wrongful Acts** taking place prior to the effective date of such termination or nonrenewal.

B. Optional Extended Reporting Period

The **Named Insured** shall have the right, upon payment of the additional premium set forth in Item 7B of the Declarations, to an Optional Extended Reporting Period, for the period of one year following the effective date of such termination or nonrenewal, but only with respect to **Claims** first made during such Optional Extended Reporting Period and arising from **Wrongful Acts** taking place prior to the effective date of such termination or nonrenewal. This right to continue coverage shall lapse unless the **Named Insured** gives written notice of such election and pays the premium to the **Insurer** within 60 days following the effective date of termination or nonrenewal.

The first 60 days of the Optional Extended Reporting Period, if it becomes effective, shall run concurrently with the Automatic Extended Reporting Period.

The Optional Extended Reporting Period is not cancelable and the entire premium for the Optional Extended Reporting Period shall be deemed fully earned and non-refundable upon payment.

- C. The Limit of Liability applicable to the Automatic Extended Reporting Period shall be part of and not in addition to the Limit of Liability shown in Item 3 of the Declarations for the immediately preceding **Policy Period**. The Automatic Extended Reporting Period shall not increase or reinstate the Limit of Liability, which shall be the maximum liability of the **Insurer** for the **Policy Period** and the Automatic Extended Reporting Period, combined.

The Limit of Liability applicable to the Optional Extended Reporting Period, if elected, shall be the greater of the unexhausted Limit of Liability of the immediately preceding **Policy Period** or 50% of the full amount of the Limit of Liability shown in Item 3 of the Declarations at the inception of the immediately preceding **Policy Period** (hereinafter referred to as "**Optional Extended Reporting Period Limit of Liability**"). The **Optional Extended Reporting Period Limit of Liability** shall only be available to pay **Loss for Claims** first made and reported during the Optional Extended Reporting Period and arising from **Wrongful Acts** taking place prior to the effective date of termination or nonrenewal (hereinafter referred to as "**Optional Extended Reporting Period Loss**"). The maximum liability for all **Optional Extended Reporting Period Loss** is the **Optional Extended Reporting Period Limit of Liability**.

If any **Claim** is covered, in whole or in part, under both the Automatic Extended Reporting Period and the Optional Extended Reporting Period, if elected, only the **Optional Extended Reporting Period Limit of Liability** shall apply.

D. A change in **Policy** terms, conditions, exclusions and/or premiums shall not be considered a nonrenewal for purposes of triggering the rights to the Automatic or Optional Extended Reporting Period.

2. Section XVII of the **Policy**, TERMINATION OF THE **POLICY**, is amended by adding the following:

- Notice of termination from the **Insurer** will state the effective date of termination and the reason(s) for termination, and will be mailed by certified mail to the **Named Insured**, and by first-class mail to the agent or broker of record, at the last mailing addresses known to the **Insurer**. Proof of mailing will be sufficient proof of notice.

3. Section XXIV of the **Policy**, ALTERNATIVE DISPUTE RESOLUTION, is amended by deleting the first paragraph in its entirety and inserting the following:

The **Insureds** and the **Insurer** shall, upon mutual agreement, submit any dispute or controversy arising out of or relating to this **Policy** or the breach, termination or invalidity thereof to the alternative dispute resolution ("ADR") process described in this section.

4. The following section is added to the **Policy**:

- NONRENEWAL

If the **Insurer** elects not to renew this **Policy**, it will mail written notice of nonrenewal by certified mail to the **Named Insured**, and by first-class mail to the agent or broker of record, at the last mailing addresses known to the **Insurer**. Notice of nonrenewal will be mailed at least 60 days before the end of the **Policy Period**. Proof of mailing will be sufficient proof of notice.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative