

SERFF Tracking Number: CNAC-125279581 State: Arkansas  
Filing Company: Continental Casualty Company State Tracking Number: AR-PC-07-025972  
Company Tracking Number: 07-F2171  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0010 Employment Practices Liability  
Product Name: Employment Practice Liability Solutions Program #07-2171  
Project Name/Number: EPL Solution Program /07-F2171

## Filing at a Glance

Company: Continental Casualty Company  
Product Name: Employment Practice Liability Solutions Program #07-2171 SERFF Tr Num: CNAC-125279581 State: Arkansas  
TOI: 17.0 Other Liability - Claims Made/Occurrence SERFF Status: Closed State Tr Num: AR-PC-07-025972  
Sub-TOI: 17.0010 Employment Practices Liability Co Tr Num: 07-F2171 State Status:  
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding  
Author: Robert Alonzo Disposition Date: 01/31/2008  
Date Submitted: 08/31/2007 Disposition Status: Disapproved  
Effective Date Requested (New): 10/15/2007 Effective Date (New):  
Effective Date Requested (Renewal): 10/15/2007 Effective Date (Renewal):  
State Filing Description:

## General Information

Project Name: EPL Solution Program Status of Filing in Domicile: Authorized  
Project Number: 07-F2171 Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 01/31/2008  
State Status Changed: 08/31/2007 Deemer Date:  
Corresponding Filing Tracking Number:  
Filing Description:  
On behalf of Continental Casualty Company, we hereby submit for your review and approval our Employment Practices Liability Solutions Program. This program provides coverage for claims by employees against their employers and fellow employees arising out of employment practice disputes (for example: claims that allege discrimination, sexual harassment, wrongful termination, and wrongful discipline).

SERFF Tracking Number: CNAC-125279581 State: Arkansas  
 Filing Company: Continental Casualty Company State Tracking Number: AR-PC-07-025972  
 Company Tracking Number: 07-F2171  
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0010 Employment Practices Liability  
 Product Name: Employment Practice Liability Solutions Program #07-2171  
 Project Name/Number: EPL Solution Program /07-F2171

## Company and Contact

### Filing Contact Information

Robert Alonzo, State Filing Analyst robert.alonzo@cna.com  
 40 Wall Street (212) 440-3478 [Phone]  
 New York, NY 10005 (212) 440-2877[FAX]

### Filing Company Information

Continental Casualty Company CoCode: 20443 State of Domicile: Illinois  
 40 Wall Street Group Code: 218 Company Type:  
 9th Floor  
 New York, NY 10005 Group Name: State ID Number:  
 (212) 440-3478 ext. [Phone] FEIN Number: 36-2114545  
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## Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Continental Casualty Company	\$0.00	08/31/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
0000200558	\$50.00	08/21/2007

SERFF Tracking Number: CNAC-125279581 State: Arkansas  
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 Project Name/Number: EPL Solution Program /07-F2171

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Disapproved	Edith Roberts	01/31/2008	01/31/2008

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
No response necessary	Edith Roberts	01/31/2008	01/31/2008			
Pending Industry Response	Edith Roberts	01/09/2008	01/09/2008	Robert Alonzo	01/10/2008	01/10/2008
Pending Industry Response	Edith Roberts	09/05/2007	09/05/2007	Robert Alonzo	09/28/2007	09/28/2007

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Status on Filing	Note To Reviewer	Robert Alonzo	01/08/2008	01/08/2008

SERFF Tracking Number: CNAC-125279581 State: Arkansas  
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Product Name: Employment Practice Liability Solutions Program #07-2171  
Project Name/Number: EPL Solution Program /07-F2171

## Disposition

Disposition Date: 01/31/2008

Effective Date (New):

Effective Date (Renewal):

Status: Disapproved

Comment: We do not have a problem with the company paying "reasonable" attorney fees. It is not possible to always project what will be "reasonable" and it is arbitrary to set a cap, without first knowing specifics of the claim being represented. As such, the insured may not be allowed adequate defense if s a cap has been pre-established. We will not allow the endorsement as approved with a blank for the hourly cap on attorney's fees.

Therefore, with reference to our objection of 9/05/07, 01/09/08, I am today, disapproving the filing on failure to comply.

Rate data does NOT apply to filing.

SERFF Tracking Number: CNAC-125279581 State: Arkansas  
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 Company Tracking Number: 07-F2171  
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0010 Employment Practices Liability  
 Product Name: Employment Practice Liability Solutions Program #07-2171  
 Project Name/Number: EPL Solution Program /07-F2171

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty		Yes
Supporting Document	Cover Letter		Yes
Supporting Document	Forms memorandum		Yes
Supporting Document	Forms Memorandum		Yes
Form	Employment Practices Liability Solutions Application		Yes
Form	Employment Practices Liability Solutions Policy		Yes
Form	Amendment to Cancellation Provisions Noncancelable By Insurer Except For NonPayment of Premium Expanded Notice Time		Yes
Form	Amendment to Coverage for New Subsidiaries Employee Threshold and Automatic Coverage Amendment		Yes
Form	Additional Insured Entities		Yes
Form	Coverage For New Subsidiaries-Total Number of Employees % Threshold Amendment		Yes
Form	COMMON CLAIM TIE-IN-LIMITS ENDORSEMENT		Yes
Form	THIRD PARTY WRONGFUL EMPLOYMENT PRACTICE CLAIMS WITH SEPARATE RETENTION ENDORSEMENT		Yes
Form	DUTY TO DEFEND ENDORSEMENT		Yes
Form	OUTSIDE POSITION ENDORSEMENT		Yes
Form	EXTENSION OF TIME TO REPORT CLAIMS MADE DURING THE POLICY PERIOD		Yes
Form	APPROVED COUNSEL ENDORSEMENT		Yes
Form	AUTOMATIC 90 DAY COVERAGE FOR NEW SUBSIDIARIES WITH VARIABLE PERCENTAGE		Yes

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<b>Form</b>	EMPLOYMENT CONTRACT	Yes
<b>Form</b>	EXCLUSION ENDORSEMENT	
<b>Form</b>	AMEND NOTICE OF CLAIM	Yes
	REPORTING REQUIREMENT FROM 30	
	DAYS TO 45 DAYS	
<b>Form</b>	Declarations	Yes
<b>Form</b>	Bilateral Extended Reporting Period	Yes
<b>Form</b>	Coinsurance Clause	Yes
<b>Form</b>	Trade & Economic Sanctions End	Yes
<b>Form</b>	Coverage for New Subsidiaries Assets	Yes
	Size Amendment	
<b>Form</b>	Independent Contractor Coverage	Yes
<b>Form</b>	Mass or Class Action Retention Sublimits	Yes
	& Coinsurance End	
<b>Form</b>	Prior Acts Coverage for A Subsidiary End	Yes
<b>Form</b>	Defense Costs only Coverage for	Yes
	Violation of Fair Labor Standard Acts	
<b>Form</b>	Claims Against Specified Individuals	Yes
	Exclusion End	
<b>Form</b>	Conditions for Advancement of Defense	Yes
	Costs	
<b>Form</b>	Definitions of Claims to Include Trolling	Yes
<b>Form</b>	Amendment of Hammer Clause	Yes
<b>Form</b>	Mass or Action Retentions End	Yes
<b>Form</b>	Prior or Pending Date Applicable to	Yes
	Increased Limits	
<b>Form</b>	Midterm Increase in Limits End	Yes
<b>Form</b>	Third Party Claims End	Yes
<b>Form</b>	Aggregate Retention End	Yes
<b>Form</b>	Cap on Attorney Fees End	Yes
<b>Form</b>	Amendment of the Dec	Yes
<b>Form</b>	Exclusion of Certified Acts of Terrorism	Yes
<b>Form</b>	Policyholder Disclosure Notice of	Yes
	Insurance Cov for Acts of Terrorism	
<b>Form</b>	Coverage of and Cap on Losses for	Yes

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Certified Acts of Terrorism

<b>Form</b>	Cancellation & Non-Renewal End - AR	Yes
<b>Form</b>	Amendatory End - AR	Yes
<b>Form</b>	Disclosure Statement - AR	Yes
<b>Form</b>	EPL Solutions Policy	Yes
<b>Form</b>	Amendatory End - AR	Yes

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## Objection Letter

Objection Letter Status No response necessary

Objection Letter Date 01/31/2008

Submitted Date 01/31/2008

Respond By Date

Dear Robert Alonzo,

This will acknowledge receipt of the captioned filing.

We do not have a problem with the company paying "reasonable" attorney fees. It is not possible to always project what will be "reasonable" and to set a cap, without first knowing specifics of the claim being represented. As such, the insured may not be allowed adequate defense if a cap has been pre-established. We will not allow the endorsement as approved with a blank for the hourly cap on attorney's fees.

Therefore, with reference to our objection of 9/05/07, 01/09/08, I am today, disapproving the filing on failure to comply.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

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## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 01/09/2008

Submitted Date 01/09/2008

Respond By Date

Dear Robert Alonzo,

This will acknowledge receipt of the captioned filing.

Inasmuch as the payment of defense is a statutory requirement, the amount paid is addressed in the policy form as "reasonable". We cannot allow an endorsement that sets a cap, due to possible conflict with the AR Code Anno. 23-79-307.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

## Response Letter

Response Letter Status Submitted to State

Response Letter Date 01/10/2008

Submitted Date 01/10/2008

Dear Edith Roberts,

### Comments:

### Response 1

Comments: Ms. Roberts,

Form GSL7337XX (6-05), Cap On Attorney Fees Endorsement, does not set a cap on defense costs. Damages and Defense Costs are capped at the limit of liability shown on the Declarations. This endorsement merely limits the hourly fee to be paid to the attorney appointed in the event of a covered claim. Nothing in the referenced statute prohibits a cap on the hourly fee of an attorney. Unless there is a regulatory or statutory prohibition which requires us to withdraw the endorsement, we respectfully request that you reconsider your position.

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Thank you.

Robert Alonzo

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Robert Alonzo

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## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 09/05/2007

Submitted Date 09/05/2007

Respond By Date

Dear Robert Alonzo,

This will acknowledge receipt of the captioned filing.

Please reference Form GSL7213XX (5-07), page 3, the "pollutants" definition which includes "smoke, vapor, soot and fumes." You must add an exception under the pollution EXCLUSION for smoke, vapor, soot or fumes from a "hostile fire".

Also, Arbitration and Appraisal provisions may not be demanded or binding. (AR Code Anno. 23-79-303 (a).) They must specifically state that the procedure is voluntary and non-binding.

Form GSL2384XX (6-07) must be withdrawn and the time allowed to report is 60 days BY LAW and cannot be reduced to 30 days and a premium charge to allow 60 days when this amount of time is mandatory. Also, by the same standard Form GSL8481XX (1-07) must be withdrawn.

Form GSL7214XX (3-05) must be withdrawn. AR Code Anno. 23-79-306 (1-6) applies to ALL cancellations/terminations/non-renewals either requested or caused by the insured or the insurer.

We do not feel comfortable in allowing the approval of GSL7237XX (6-05) as we can not know every situation that may prompt defense to exceed a certain amount and the insurer is responsible to either pay or provide defense. Please withdraw.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

## Response Letter

Response Letter Status Submitted to State

Response Letter Date 09/28/2007



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Dear Edith Roberts,

**Comments:**

**Response 1**

Comments: In the process of responding to your letter we determined that we did not send you the final version of Policy Form GSL7213XX (5-07). Please note that in Policy Section VI.1. we specify that the timeframe is thirty (30) days.

1. In response to your comments we amended the pollution exclusion. Please see item 1 of Form GSL7919AR (9-07), which replaces any earlier editions, for more details.
2. In response to your comments we amended Policy Section XXIV. Alternative Dispute Resolution Process. Please see item 5 of Form GSL7919AR (9-07), which replaces any earlier editions, for more details.
3. Policy Form specifies "thirty (30) days" in Policy Section VI.1. Form GSL2384XX changes "thirty (30) days" to "sixty (60) days". As such, we need Form GSL2384XX in order to bring the policy into compliance with Arkansas law. This form is now marked as mandatory on the Arkansas Form Filing Memorandum. At this time we are removing Form GSL8481XX from this filing.
4. You have asked that we remove Form GSL7214XX (3-05) from this filing. This form is the declarations page for this program. We do not understand the reason for your request. Please clarify.
5. In response to your comments concerning Form GSL7237XX please note that this type of endorsement is widely used and we often negotiate this with the Insured and their counsel. The endorsement does not limit the amount of defense that we are responsible to pay, only the limit and the terms of the contract do that. This endorsement does not limit the amount we will pay the firm in total, but merely allows us to predetermine the maximum hourly rate that we will pay the law firm. As such we respectfully request that you reconsider your position on this issue.

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Forms Memorandum  
 Comment:

**Form Schedule Item Changes**

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
EPL Solutions Policy	GSL7213	(5-07)	Policy/Coverage Form	New		0	GSL7213 XX 5-2007

*SERFF Tracking Number:* CNAC-125279581      *State:* Arkansas  
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 Liability  
 Solutions.  
 pdf

Amendatory End - AR	GSL7919 (9-2007)	Endorsement/Amendment Replaced	GSL7919 0	GSL7919
	AR	/Conditions	AR	AR_09200
				7_AMEND
				ATORY
				ENDORS
				EMENT
				ARKANSA
				S.pdf

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No Rate/Rule Schedule items changed.

Sincerely,  
Robert Alonzo

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**Note To Reviewer**

**Created By:**

Robert Alonzo on 01/08/2008 10:25 AM

**Subject:**

Status on Filing

**Comments:**

This filing was sent on 8/31/07, we would like a status on this filing.

Thanks.

Robert Alonzo

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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
	Employment Practices Liability Solutions Application	GSL7245	(ed. 5-07)	Application/ Replaced Binder/Enrollment	Replaced Form #:0.00 GSL7245 (10-2005) Previous Filing #:		Rev GSL7245_052007_EPL App v2.pdf
	Employment Practices Liability Solutions Policy	GSL7213	(ed. 5-07)	Policy/Coverage Form	Replaced Form #:0.00 GSL7213XX (6-2005) Previous Filing #:		GSL7213XX_052007_EPL Solutions Policy.pdf
	Amendment to Cancellation Provisions Noncancelable By Insurer Except For NonPayment of Premium Expanded Notice Time	GSL1255 XX	(ed. 1-07)	Endorsement/Amendment/Conditions		0.00	GSL1255XX_012007_A MENDMENT TO CANCELLATION PROVISIONS NONCANCE LABLE BY INSURER EXCEPT FOR NONPAYMENT OF PREMIUM EXPANDED NOTICE TIME .pdf
	Amendment to Coverage for New Subsidiaries Employee Threshold and	GSL1256 XX	(ed. 1-07)	Endorsement/Amendment/Conditions		0.00	GSL1256XX_012007_A MENDMENT TO COVERAGE

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Automatic Coverage Amendment					FOR NEW SUBSIDIARIES EMPLOYEE THRESHOLD AUTOMATIC COVERAGE END.pdf
Additional Insured Entities	GSL1815 (ed. 6-06) XX	Endorsement/Amendment/Conditions	New	0.00	GSL1815XX_062006_ADDITIONAL INSURED ENTITIES.pdf
Coverage For New Subsidiaries- Total Number of Employees % Threshold Amendment	GSL1817 (ed. 5-06) XX	Endorsement/Conditions	New	0.00	GSL1817XX_052006_COVERAGE FOR NEW SUBSIDIARIES-TOTAL # OF EMPLOYEE S% THRESHOLD AMENDMENT.pdf
COMMON CLAIM TIE-IN-LIMITS ENDORSEMENT	GSL2358 (ed. 3-07) XX	Endorsement/Conditions	New	0.00	GSL2358XX_032007_COMMON CLAIM TIEINLIMITS ENDORSEMENT.pdf
THIRD PARTY WRONGFUL	GSL2368 (ed. 6-07) XX	Endorsement/Amendment	New	0.00	GSL2368XX_032007_TH

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EMPLOYMENT PRACTICE CLAIMS WITH SEPARATE RETENTION ENDORSEMENT		ent/Conditions		IRD PARTY WRONGFUL EP CLAIMS WITH SEPARATE RETENTION END.pdf
DUTY TO DEFEND ENDORSEMENT	GSL2382 (ed. 5-07) XX	Endorsement/Amendment/Conditions	0.00	GSL2382XX_052007_DUTY TO DEFEND END.pdf
OUTSIDE POSITION ENDORSEMENT	GSL2383 (ed. 6-07) XX	Endorsement/Amendment/Conditions	0.00	GSL2383XX_062007_OUTSIDE POSITION END.pdf
EXTENSION OF TIME TO REPORT CLAIMS MADE DURING THE POLICY PERIOD	GSL2384 (ed. 6-07) XX	Endorsement/Amendment/Conditions	0.00	GSL2384XX_062007_Extension of Time to Report Claims Made During the Policy Period.pdf
APPROVED COUNSEL ENDORSEMENT	GSL2385 (ed. 6-07) XX	Endorsement/Amendment/Conditions	0.00	GSL2385XX_062007_APPROVED COUNSEL END.pdf
AUTOMATIC 90 DAY COVERAGE FOR NEW SUBSIDIARIES WITH VARIABLE PERCENTAGE	GSL2386 (ed. 6-07) XX	Endorsement/Amendment/Conditions	0.00	GSL2386XX_062007_Automatic 90 day coverage for New Subsidiaries

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				with Variable Percentage.	
				pdf	
EMPLOYMENT CONTRACT EXCLUSION ENDORSEMENT	GSL2387 (ed. 6-07) XX	Endorsement/Conditions	New	0.00	GSL2387XX_062007_Employment Contract Exclusion End.pdf
AMEND NOTICE OF CLAIM REPORTING REQUIREMENT FROM 30 DAYS TO 45 DAYS	GSL8481 (ed. 1-07) XX	Endorsement/Conditions	New	0.00	GSL8481XX_012007_A MEND NOTICE OF CLAIM REPORTING REQUIREMENT FROM 30 DAYS TO 45 DAYS.pdf
Declarations	GSL7214 (ed. 3-05) XX	Declaration	New	0.00	GSL7214XX_032005_E MPLOYMENT PRACTICES Liability Dec Page .pdf
Bilateral Extended Reporting Period	GSL2055 (9-04) XX	Endorsement/Conditions	New	0.00	GSL2055_092004_Bilateral Extended Reporting Period.pdf
Coinurance Clause	GSL2061 (9-04) XX	Endorsement/Conditions	New	0.00	GSL2061_092004_Coinurance Clause.pdf
Trade & Economic Sanctions End	GSL7132 (10-04) XX	Endorsement	New	0.00	GSL7132_102004_TRA

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		ent/Condi tions		DE AND ECONOMIC SANCTIONS ENDORSEM ENT.pdf
Coverage for New Subsidiaries XX Assets Size Amendment	GSL7144 (11-04)	Endorseme New nt/Amendm ent/Condi tions	0.00	GSL7144_1 12004_Cove rage for New Subsidiaries Asset Size Amendment. pdf
Independent Contractor Coverage	GSL7221 (6-05) XX	Endorseme New nt/Amendm ent/Condi tions	0.00	GSL7221XX _062005_Ind ependent Contractor Coverage.pd f
Mass or Class Action Retention XX Sublimits & Coinsurance End	GSL7222 (6-05) XX	Endorseme New nt/Amendm ent/Condi tions	0.00	GSL7222XX _062005_M ASS OR CLASS ACTION RETENTION SUBLIMITS AND COINSURA NCE ENDORSEM ENT.pdf
Prior Acts Coverage for A Subsidiary End	GSL7223 (6-05) XX	Endorseme New nt/Amendm ent/Condi tions	0.00	GSL7223XX _062005_Pri or Acts Coverage for a Subsidiary Endorsemen t.pdf
Defense Costs	GSL7224 (6-05)	Endorseme New	0.00	GSL7224XX

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 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0010 Employment Practices Liability  
 Product Name: Employment Practice Liability Solutions Program #07-2171  
 Project Name/Number: EPL Solution Program /07-F2171

only Coverage forXX Violation of Fair Labor Standard Acts		nt/Amendm ent/Condi ons		_062005_De fense Costs only Coverage for Violation of Fair Labor Standards Act.pdf
Claims Against Specified Individuals Exclusion End	GSL7225 (6-05) XX	Endorseme New nt/Amendm ent/Condi ons	0.00	GSL7225XX _062005_CI aims against Specified Individuals Exclusion Endorsemen t.pdf
Conditions for Advancement of Defense Costs	GSL7226 (6-05) XX	Endorseme New nt/Amendm ent/Condi ons	0.00	GSL7226XX _062005_Co nditions for Advancemen t of Defense Costs .pdf
Defititions of Claims to Include Trolling	GSL7227 (6-05) XX	Endorseme New nt/Amendm ent/Condi ons	0.00	GSL7227XX _062005_DE FINITION OF CLAIM TO INCLUDE TOLLING.pdf
Amendment of Hammer Clause	GSL7228 (6-05) XX	Endorseme New nt/Amendm ent/Condi ons	0.00	GSL7228XX _062005_A mendment of Hammer Clause.pdf
Mass or Action Retentions End	GSL7232 (6-05) XX	Endorseme New nt/Amendm ent/Condi	0.00	GSL7232XX _062005_M ASS OR

SERFF Tracking Number: CNAC-125279581 State: Arkansas  
 Filing Company: Continental Casualty Company State Tracking Number: AR-PC-07-025972  
 Company Tracking Number: 07-F2171  
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0010 Employment Practices Liability  
 Product Name: Employment Practice Liability Solutions Program #07-2171  
 Project Name/Number: EPL Solution Program /07-F2171

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Prior or Pending Date Applicable to Increased Limits	GSL7233 (6-05) XX	Endorsement/Amendment/Conditions	0.00	GSL7233XX_062005_Prior or Pending Date Applicable to Increased Limits .pdf
Midterm Increase in Limits End	GSL7234 (6-05) XX	Endorsement/Amendment/Conditions	0.00	GSL7234XX_062005_Midterm Increase in Limits Endorsement.pdf
Third Party Claims End	GSL7235 (6-05) XX	Endorsement/Amendment/Conditions	0.00	GSL7235XX_062005_THIRD PARTY CLAIMS ENDORSEMENT.pdf
Aggregate Retention End	GSL7236 (6-05) XX	Endorsement/Amendment/Conditions	0.00	GSL7236XX_062005_AGGREGATE RETENTION ENDORSEMENT.pdf
Cap on Attorney Fees End	GSL7237 (6-05) XX	Endorsement/Amendment/Conditions	0.00	GSL7237XX_062005_CAP ON ATTORNEY FEES ENDORSEM

SERFF Tracking Number: CNAC-125279581 State: Arkansas  
 Filing Company: Continental Casualty Company State Tracking Number: AR-PC-07-025972  
 Company Tracking Number: 07-F2171  
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0010 Employment Practices Liability  
 Product Name: Employment Practice Liability Solutions Program #07-2171  
 Project Name/Number: EPL Solution Program /07-F2171

Amendment of the Dec	GSL13902(8-01) 3A	Endorsement/Amendment/Conditions	0.00	ENT.pdf	G139023A_082001_Amendment of Dec End .pdf
Exclusion of Certified Acts of Terrorism	GSL7325 (10-05) XX	Endorsement/Amendment/Conditions	0.00	GSL7325XX_102005_EXCLUSION OF CERTIFIED ACTS OF TERRORISM M.pdf	GSL7325XX_102005_EXCLUSION OF CERTIFIED ACTS OF TERRORISM M.pdf
Policyholder Disclosure Notice of Insurance Coverage for Acts of Terrorism	G144894A(1-03)	Endorsement/Amendment/Conditions	0.00	G144894_012003_Notice of Ins Cov for Acts of Terrorism.pdf	G144894_012003_Notice of Ins Cov for Acts of Terrorism.pdf
Coverage of and Cap on Losses for Certified Acts of Terrorism	G147020A(9-03)	Endorsement/Amendment/Conditions	0.00	G147020A_092003_Cov of Cap on Losses for Cert Acts of Terrorism.pdf	G147020A_092003_Cov of Cap on Losses for Cert Acts of Terrorism.pdf
Cancellation & Non-Renewal End - AR	GSL7541 (11-04) AR	Endorsement/Amendment/Conditions	0.00	GSL7541AR_112004_CANCELLATION NON-RENEWAL ENDORSEMENT-ARKANSAS.pdf	GSL7541AR_112004_CANCELLATION NON-RENEWAL ENDORSEMENT-ARKANSAS.pdf
Amendatory End - AR	GSL7919 (5-07) AR	Endorsement/Amendment/Conditions	0.00	GSL7919AR_052007_A MENDATOR	GSL7919AR_052007_A MENDATOR

SERFF Tracking Number: CNAC-125279581 State: Arkansas  
 Filing Company: Continental Casualty Company State Tracking Number: AR-PC-07-025972  
 Company Tracking Number: 07-F2171  
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0010 Employment Practices Liability  
 Product Name: Employment Practice Liability Solutions Program #07-2171  
 Project Name/Number: EPL Solution Program /07-F2171

		ons			Y
Disclosure Statement - AR	GSL7920 (5-07) AR	Disclosure/ New Notice		0.00	ENDORSEMENT ARKANSAS.pdf
EPL Solutions Policy	GSL7213 (5-07)	Policy/Coverage Form	New	0.00	GSL7213XX 5-2007 Employment Practices Liability Solutions.pdf
Amendatory End - AR	GSL7919 (9-2007) AR	Endorsement/Amendment/Conditions	Replaced	Replaced Form #: 0.00 (5-2007) Previous Filing #: GSL7919AR	GSL7919AR_092007_A MENDATORY ENDORSEMENT ARKANSAS.pdf





NOTICE

THE POLICY YOU ARE APPLYING FOR APPLIES ONLY TO ANY CLAIM FIRST MADE DURING THE POLICY PERIOD AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD OR REPORTED WITHIN ANY APPLICABLE EXTENDED REPORTING PERIOD PROVIDED BY THE POLICY. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AGAINST AN INSURED AFTER THE END OF POLICY PERIOD UNLESS, AND TO THE EXTENT THAT, AN EXTENDED RPEORTING PERIOD APPLIES. DEFENSE COSTS REDUCE THE LIMITS OF LIABILITY.

PLEASE DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

Complete and submit all requested information and required attachments. This Application and all materials submitted or required shall be held in confidence. Desired Effective Date: \_\_\_\_\_

I. General Information

- 1. The Company to be named in Item 1 of the Declarations (the "Company"):

Street Address: \_\_\_\_\_  
(Do not use P.O. Box)  
City: \_\_\_\_\_ State of Incorporation: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Web Address: \_\_\_\_\_  
Officer designated to receive correspondence and notices from the Insurer:  
\_\_\_\_\_  
(Name of Officer) (Title)

II. Employment Practices Liability Information

- 1. Company Size: Total Number of Employees: Current: \_\_\_\_\_; 1 year ago: \_\_\_\_\_; 2 years ago: \_\_\_\_\_  
a. Total Number of Employees in the following categories:

Full time	Part time	Loaned and/ or leased	Temporary or seasonal	Foreign based	Union employees	Independent Contractors

- b. What percentage of Employees have salaries (including bonuses)

Less than %50,000	\$50,000 to \$100,000	\$100,000 to \$250,000	Greater than \$250,000
%	%	%	%

- c. How many employees, including executives, have been involuntarily terminated in the past two years?

Employees	Executives

- d. For each of the most recent years, what has been your annual turnover rate of employees?

Year:	Year:
%	%

- 2. Is the Applicant a federal contractor subject to Executive Order 11246? Yes  No
- 3. Are all union members subject to a collective bargaining agreement? Yes  No
- 4. Does the Applicant have a full-time Human Resources or Personnel Department director or manager? Yes  No



5. Are employee relations matters in all locations handled by an on-site Human Resources representative? Yes  No   
If No, who handles them? \_\_\_\_\_
6. Does the Applicant have contractual agreements with third parties (e.g. security guards) that perform services at their facilities? Yes  No   
If Yes, are the agreements in writing and do they include an agreement to hold harmless and/or indemnify the Applicant for wrongful actions by such contractors? Yes  No
7. Have any mergers or acquisitions been completed in the last 2 years? Yes  No
8. Has the Applicant had any layoffs, staff reductions, facility closings or consolidations during the past twelve (12) months which resulted in termination of more than 5% of the workforce at any one business location or anticipate any business closing or layoffs in the next twelve (12) months that will affect more than 5% of the workforce at any one business location? Yes  No
9. Total number of employees in the top 6 operating state(s) or foreign country(ies) by employee count and the percentage of the Applicant's employee base:
- |       |        |       |        |
|-------|--------|-------|--------|
| _____ | _____% | _____ | _____% |
| _____ | _____% | _____ | _____% |
| _____ | _____% | _____ | _____% |

**III. Insurance/Claims Information**

1. During the past five (5) years, has Employment Practices Liability insurance purchased or applied for by the Applicant been cancelled or non-renewed? **(This question is not applicable in Missouri.)** Yes  No   
If Yes, attach complete details, including reason for, and date of, cancellation or non-renewal and if the extended reporting period was or will be exercised.
2. Have there been any employment-related charges or complaints in the last three (3) years? Yes  No
3. Has the Applicant or any subsidiary given written notice under the provisions of any prior or current Employment Practices liability policy of specific facts or circumstances which might give rise to a claim being made against any Insured? Yes  No
4. During the past three (3) years, has the Applicant, subsidiary or any employee of the Applicant or subsidiary been involved in any employment or labor related litigation? Yes  No
5. During the past three (3) years, has the Applicant, subsidiary or any employee of the Applicant or subsidiary been involved class action employment or labor related litigation? Yes  No
6. During the past three (3) years, has the Applicant, subsidiary or any employee of the Applicant or subsidiary been involved in any administrative proceeding before any of the following regulatory bodies:
- The U.S. Department of Labor including the Office of Federal Contract Compliance Programs (OFCCP) Yes  No
  - The Equal Employment Opportunity Commission (EEOC) or any state or local government agency whose purpose is to address employment-related claims? Yes  No
7. Is the Applicant or any subsidiary currently required to comply with any judicial or administrative agreement, order, decree or judgment relating to employment matters? Yes  No
8. In the past five (5) years, have there been any employment-related losses or complaints against the contractor, franchise or leased workers? Yes  No
9. Does the contractor, franchise or leased workers currently have Employment Practices Liability insurance that covers claims by third parties? Yes  No

10. Has the Applicant or any of the Applicant's employees been the subject of claims by third parties, e.g., vendors, suppliers, customers, for unlawful discrimination or unlawful harassment during the last three years? Yes  No

If you answered "Yes" to any of the above, please provide detailed information including the type of allegation, jurisdiction and current status.

#### **IV. Hiring/Disciplinary/Termination Practices**

1. Does the Applicant require job applicants to complete an employment application? Yes  No
2. Does the Applicant conduct background checks to screen job applicants for hire? Yes  No
3. Does the Applicant require medical examinations of employees and/or job applicants at any time? Yes  No
4. Do any employees of the Applicant have written contracts or agreements of employment? Yes  No   
If Yes, how many? \_\_\_\_\_
5. Are severance agreements and packages used? Yes  No
6. Does the Applicant provide regular, written performance evaluations for all employees, including documentation of poor employee performance? Yes  No
7. When an employee is discharged, is a disinterested member of management or Human Resources personnel directly involved? Yes  No
8. Does the Applicant require terminations to be reviewed by its Human Resources Department, Legal Department, or outside counsel? Yes  No
9. Are exit interviews conducted with terminated employees? Yes  No

#### **V. Documentation/Training/ Policies & Procedures**

1. Does the Applicant have written job descriptions for all positions? Yes  No
2. Does the Applicant maintain written personnel records? Yes  No
3. Does the Applicant publish an employment handbook that includes a requirement that all employees acknowledge a receipt by signature? Yes  No
4. Does an attorney with expertise in employment and labor law, at least annually, review the Applicant's employee handbook, human resources documents, guidelines, procedures and updates thereto? Yes  No   
If No, who is responsible for reviewing and updating these materials? \_\_\_\_\_
5. Does the Applicant have written guidelines or procedures addressing these human resource or personnel management issues:
- Hiring/interviewing? Yes  No
  - Employee "at will" statement? Yes  No
  - Handbook is not a modification of the "at will" statement? Yes  No
  - Equal Employment Opportunity Statement? Yes  No
  - Performance appraisal? Yes  No
  - Progressive Employee Discipline Policy? Yes  No
  - Discharge/Termination? Yes  No
  - Investigation of employee complaints? Yes  No
  - Grievance policies or procedures? Yes  No

- Does the grievance procedure provide for complaints outside the employees' chain of command, i.e., human resources or a toll-free number? Yes  No
  - Safe work environment program? Yes  No
  - Compliance with the Americans with Disabilities Act? Yes  No
  - Zero tolerance for harassment? Yes  No
  - Use of Company electronic mail, voice mail and Internet access? Yes  No
  - The Family and Medical Leave Act of 1993? Yes  No
  - Arbitration for Employment Related Claims Yes  No
11. Is there an orientation and training program for new employees? Yes  No
12. Does the Applicant require all employees to attend sexual harassment and discrimination training? Yes  No
13. Does the Applicant require employees to attend diversity training? Yes  No
14. Do persons supervising employees receive updated information and training on human resources including performance appraisals, discipline and workplace harassment, at least annually? Yes  No

**VI. Loss Control Practices**

1. Does the Applicant have a labor relations counsel on staff? Yes  No
2. Has the Applicant adopted written anti-discrimination policies/procedures regarding the selection of employees for hiring, promotion, transfer, layoff, salary increases, work assignments and other employment-related areas? Yes  No
3. Does the Applicant have a retaliation-free reporting procedure to deal with allegations of harassment with options other than their direct supervisor? Yes  No
4. Does the Applicant have a process for monitoring, analyzing and reviewing diversity in its workforce and in its management ranks, specifically as respects hiring, firing, compensation, promotions, job assignments and training opportunities? Yes  No
5. Does the Applicant utilize any other form of risk management with regards to employment practices (i.e., internet training, consultants, etc.)? Yes  No
6. Have employees received training to teach them how to deal appropriately with the public? Yes  No
7. Does the Applicant have written procedures for handling employee complaints of discrimination and/or sexual harassment? Yes  No
8. Does the Applicant conduct internal audits of the human resource function to ensure consistent application of employment policies and procedures? Yes  No
9. Does the Applicant utilize outside labor counsel to audit employment policies and procedures? Yes  No
10. Are contractors, franchise and leased workers, if applicable, provided with a copy of the Applicant's written policies and procedures as outlined in Sections V and VI of this application? Yes  No
- If Yes, does the Applicant require them to follow these policies and procedures? Yes  No

**VII. Reduction-in-Force (RIF)**

TO BE COMPLETED ONLY IF THE APPLICANT ANSWERED "YES" TO QUESTION 8, in SECTION II.

1. Please provide the following details:

Date of Workforce Reduction	Reason for Workforce Reduction	Number of Employees Effected

2. What criteria are used to determine the workforce reduction?

- Dept'l / Specific Positions     Seniority     Performance     Arbitrary     Combination of all

3. Was an impact analysis completed? Yes  No

6. Does the Applicant have a formal out-placement program for employees terminated as a result of downsizing, layoffs or reduction-in-force? Yes  No

7. Was or will severance compensation (be) available to all affected employees? Yes  No

8. Were or are the affected employees required to sign a release for the severance package? Yes  No   
 If Yes, did any employees refuse to sign the release? Yes  No

10. Did the Applicant consult with outside counsel familiar with employment and labor law regarding the reduction in workforce? Yes  No

11. Is the Applicant in compliance with all applicable provisions of the Worker Adjustment and Retraining Notification (WARN) Act? Yes  No

**VIII. Foreign Operations**

TO BE COMPLETED ONLY IF THE APPLICANT INCLUDED FOREIGN BASED EMPLOYEES IN THE TOTAL EMPLOYEE COUNT IN QUESTION 1(a) OF SECTION II.

1. Foreign Exposure. Complete the following table. Attach a separate sheet if necessary.

Country	Nature of Operations	Relationship to Parent Company (* see below)	Number of Employees		
			Total	Full-time	Part-time

\* Relationship to Parent Company:

- A = Subsidiary    B = Affiliate    C = Joint Venture    D = Other (specify): \_\_\_\_\_

2. In the past five (5) years, have there been any employment-related claims or circumstances connected to the Applicant's foreign operations? Yes  No

If Yes, attach complete details.

3. Do the foreign operations use the same employment policies and procedures as the U.S. operations? Yes  No

If No, attach policies or procedures that are unique to foreign operations.



4. Is there a director of human resources for all foreign operations? Yes  No
5. Have all foreign operations handbooks, employment contracts, employment applications, employment and labor policies and procedures been reviewed by outside counsel familiar with local and foreign employment/labor laws, rules, and regulations? Yes  No

**IX. Third Party Coverage**

TO BE COMPLETED ONLY IF THE APPLICANT IS REQUESTING THIRD PART COVERAGE.

1. What type of customer base does the Applicant serve, and what portion of the Applicant's business is directed to each customer segment? Complete the following table:

Customer Segment	Percentage
Corporate or Business Clients	%
Individuals (but not the General Public)	%
General Public	%
Other (specify):	%
TOTAL	100 %

2. Has the Applicant or any of the Applicant's employees been the subject of claims by third parties, (e.g. vendors, suppliers, customers) for unlawful discrimination or unlawful harassment during the last five (5) years? Yes  No
3. Approximately what percentage of the Applicant's employees is in contact with customers, clients, vendors and/or other third parties? \_\_\_\_\_%
4. Do any of the Applicant's employees work at customer, client, vendor, or other third party locations? Yes  No
5. Does the Applicant have a bill of rights statement explaining customer rights? Yes  No
6. Have employees received training to teach them how to deal appropriately with the public? Yes  No
7. Is there a customer relations policy in place? Yes  No

This Application along with all signed applications, any attachments to such applications, other materials submitted therewith or incorporated therein, and any other documents submitted, any public documents filed by the Insured Entity prior to inception of this Policy (or if amended, as of that date), with any federal, state, local or foreign regulatory agency, (including, but not limited to the Securities and Exchange Commission) are the basis of the proposed Policy and are to be considered as incorporated into and constituting a part of the proposed Policy.



**REPRESENTATION:**

None of the proposed Insureds has knowledge or information of any Wrongful Employment Practice or fact, circumstance or situation which (s)he has reason to suppose might result in a future Claim, except as follows (if answer is "None", so state.):

It is agreed by all concerned that if any of the proposed Insured Persons or Employees is responsible for or has knowledge of any Wrongful Employment Practice, fact, circumstance, or situation which s(he) has reason to suppose might result in a future Claim, whether or not described above, any Claim subsequently emanating therefrom shall be excluded from coverage under the proposed insurance as to (i) such of the Insured Persons or Employees and (ii) the Company and Subsidiaries if such proposed Insured Persons are Executive Officers. The responsibility or knowledge of any individual shall not be imputed to any other individual for the purposes of determining the availability of coverage.

1. It is declared that this Application and any materials submitted or required (which shall be maintained on file by the Insurer and be deemed attached as if physically attached to the proposed Policy) are true and are the basis of the proposed Policy and are to be considered as incorporated into and constituting a part of the proposed Policy.
2. The undersigned declares that to the best of his/her knowledge the statements set forth herein are true and correct and that reasonable efforts have been made to obtain sufficient information from all of the proposed Insureds to facilitate the proper and accurate completion of this Application for the proposed Policy. Signing of this Application does not bind the undersigned to purchase the insurance, but it is agreed that this Application shall be the basis of the contract should a Policy be issued, and this Application will be attached to and become part of such Policy. The undersigned agrees that if after the date of this Application and prior to the effective date of any Policy based on this Application, any occurrence, event or other circumstance should render any of the information contained in this Application inaccurate or incomplete, then the undersigned shall notify the Insurer of such occurrence, event or circumstance and shall provide the Insurer with information that would complete, update or correct such information. Any outstanding quotations may be modified or withdrawn at the sole discretion of the Insurer.
3. The information requested in this Application is for underwriting purposes only and does not constitute notice to the Insurer under any Policy of a Claim or potential claim. All such notices must be submitted to the Insurer pursuant to the terms of the Policy, if and when issued.

The undersigned acknowledges that he or she is aware that Defense Costs reduce and may exhaust the applicable Limits of Liability. The Insurer is not liable for any Loss (which includes Defense Costs) in excess of the applicable Limits of Liability.

**FRAUD NOTICE – WHERE APPLICABLE UNDER THE LAW OF YOUR STATE**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false or incomplete information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES (For District of Columbia residents only: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.) (For Florida residents only: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.) (For Louisiana residents only: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.) (For Maine residents only: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.) (for New York residents only: and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.) (For Pennsylvania residents only: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.) (For Tennessee and Washington residents only: Penalties include imprisonment, fines and denial of insurance benefits.) (For Vermont residents only: any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false or incomplete information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which may be a crime and may be subject to civil fines and criminal penalties.)



This Application must be signed by the Chief Executive Officer and the Human Resources Officer.

Signed: \_\_\_\_\_  
(Chief Executive Officer)

Signed: \_\_\_\_\_  
(Human Resources Officer)

Title: \_\_\_\_\_

Corporation: \_\_\_\_\_

Corporation: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

A POLICY CANNOT BE ISSUED TO NEW YORK RESIDENTS UNLESS  
THE APPLICATION IS PROPERLY SIGNED AND DATED ABOVE.

THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. CLAIMS MUST BE REPORTED TO THE COMPANY IN ACCORDANCE WITH SECTION VI. DEFENSE COSTS ARE WITHIN THE LIMITS OF LIABILITY.

PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

Terms in bold face type have the special meaning. See the definitions sections of this Policy.

The Insurer and the **Insureds** agree as follows, in consideration of the payment of the premium and in reliance upon all statements made in the **Application** furnished to the Insurer designated in the Declarations, a stock insurance corporation, hereafter called the "Insurer."

## I. INSURING AGREEMENT

The Insurer shall pay on behalf of the **Insureds** that **Loss** resulting from any **Claim** first made against the **Insureds** during the **Policy Period** or the Extended Reporting Period, if applicable, by an **Employee** or an applicant for employment for a **Wrongful Employment Practice** provided that such **Claim** is reported to the Insurer in accordance with Section VI.

## II. DEFINITIONS

**Application** means all signed applications, any attachments to such applications, other materials submitted therewith or incorporated therein, and any other documents submitted in connection with the underwriting of this Policy by the Insurer, or any other policy underwritten by the Insurer or its affiliates of which this Policy is a direct or indirect renewal or replacement.

**Claim** means:

1. a written demand for monetary or non-monetary relief;
2. a civil proceeding in a court of law or equity or an alternative dispute resolution process seeking monetary or non-monetary relief; or
3. an administrative or regulatory proceeding including an investigation by a regulatory or administrative agency, such as the Equal Employment Opportunity Commission or its state or local equivalent, against any **Insured** for a **Wrongful Employment Practice** and any appeal from such **Claim**.

**Claim** also includes a written request received by the **Insured Entity** to toll or waive a statute of limitations in connection with a **Potential Claim**.

However, **Claim** does not include any:

- a. labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement,
- b. audit conducted by the Office of Federal Contract Compliance Programs unless a Notice of Violation or Order to Show Cause or written demand for monetary relief or injunctive relief has been issued.

A **Claim** is deemed made as set forth in Section VI, **REPORTING/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE**, paragraph 3, **When a Claim is Deemed Made**.

**Defense Costs** means reasonable and necessary fees, costs and expenses, consented to by the Insurer and incurred by the **Insureds** in the investigation, adjustment, defense or appeal of any covered **Claim**, and includes premium for appeal bonds, attachment bonds or similar bonds arising out of a covered judgment. The Insurer has no obligation to provide such bonds. **Defense Costs** shall not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers, partners and employees of the **Insured Entity**.

**Domestic Partner** means any person qualifying as such under any federal, state or local laws or under the **Insured Entity's** employee benefit plans.

**Employees** mean all past, present or future full-time, part-time, seasonal and temporary employees, including any volunteers, of the **Insured Entity** and employees leased to the **Insured Entity**. **Employee** also includes any natural person who is contracted to perform work for the **Insured Entity** as an independent contractor, but only if:

1. such independent contractor has a written contract with the **Insured Entity**, entered into prior to the alleged **Wrongful Employment Practice**, designating him or her as an independent contractor, and under which the **Insured Entity** is obligated to provide employment practices liability insurance or to indemnify for any **Wrongful Employment Practice**; or
2. the **Insured Entity** is obligated pursuant to any applicable law or regulation to provide indemnification to such independent contractor for **Wrongful Employment Practices**.

**Employment Related Benefits** means perquisites, fringe benefits, deferred compensation or payments (including insurance premiums) in connection with an employee benefit plan, **Stock Benefits** and any other payment to or for the benefit of an employee arising out of the employment relationship. **Employment Related Benefits** shall not include salary, wages, commissions, or non-deferred cash incentive compensation.

**ERISA or any Similar Act** means the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law of the United States, Canada or their states, territories or provinces or any other jurisdiction anywhere in the world.

**Executive** means any past, present or future:

1. duly elected or appointed director, officer, trustee or governor of a corporation, management committee member of a joint venture or **Manager** of a limited liability company, general partner of an entity structured as a limited partnership, or partnership manager of a general partnership; or
2. official in an **Insured Entity** organized and operated in a **Foreign Jurisdiction** who is holding a position that is equivalent to an executive position listed in 1.

**Foreign Jurisdiction** means any jurisdiction, other than the United States or any of its territories or possessions.

**Insured** means any **Insured Person** or the **Insured Entity**.

**Insured Entity** means the **Named Insured** and any **Subsidiary** including any such entity as a debtor in possession under United States bankruptcy law or an equivalent status under the law of any other country.

**Insured Person** means any **Executive** or **Employee** of the **Insured Entity**.

**Interrelated Wrongful Employment Practices** means any **Wrongful Employment Practices** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.

**Loss** means damages (including back pay and front pay), settlements, judgments (including any award of pre-judgment and post-judgment interest) and **Defense Costs** for which any **Insured** is legally obligated to pay on account of a covered **Claim**. **Loss** shall include liquidated damages awarded pursuant to the Age Discrimination in Employment Act or the Equal Pay Act, punitive, exemplary or multiple damages, if insurable, to the fullest extent permitted by any applicable law. Where the **Insureds** reasonably determine that punitive, exemplary or multiple damages are insurable under any applicable law, the Insurer shall not challenge that determination of insurability.

However, **Loss** does not include:

1. civil or criminal fines, penalties, taxes, sanctions or forfeitures, imposed on an **Insured** whether pursuant to law, statute, regulation or court rule;
2. compensation earned by the claimant in the course of employment but unpaid by the **Insured**, including salary, wages, commissions, bonus or incentive compensation;
3. any amounts for which an **Insured** is liable due to breach of any written contract of employment;
4. amounts representing medical or insurance premiums or benefit claim payments;
5. except as provided above with respect to punitive, exemplary, liquidated or the multiple portion of any multiplied damages, matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed;
6. future salary, wages or commissions of a claimant who is hired, promoted or reinstated to employment pursuant to a settlement of, order in, or other resolution of any **Claim**; or

## 7. Employment Related Benefits.

**Management Control** means:

1. owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of: the Board of Directors of a corporation; the management committee members of a joint venture; or the members of the management board of a limited liability company, general partner of an entity structured as a limited partnership, or partnership manager of a general partnership; or
2. having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an **Insured Entity**, to elect, appoint or designate a majority of: the Board of Directors of a corporation; the management committee of a joint venture; or the management board of a limited liability company, general partner of an entity structured as a limited partnership, or partnership manager of a general partnership.

**Manager** means any natural person manager, member of the Board of Managers or equivalent executive of an **Insured Entity** that is a limited liability company.

**Named Insured** means the company named in Item 1 of the Declarations, including such company as a debtor in possession under United States bankruptcy law or an equivalent status under the law of any other country.

**Policy Period** means the period from the effective date of this Policy to the Policy expiration date stated in Item 2 of the Declarations, or its earlier cancellation date.

**Pollutants** means any substance exhibiting hazardous characteristics as is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state, local or foreign counterpart. **Pollutants** also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products or any noise.

**Potential Claim** means an allegation of a **Wrongful Employment Practice** which does not constitute a **Claim** but may reasonably give rise to a future **Claim** provided that the allegation is lodged by the potential claimant with any member of the in-house general counsel, risk management or human resources departments of any **Insured Entity**.

**Stock Benefits** means

1. any offering plan or agreement between the **Insured Entity** and any employee which grants stock, stock warrants or stock options of the **Insured Entity** to any such employee, including but not limited to grants of stock options, restricted stock, stock warrants, performance stock shares, or any other compensation or incentive granted in the form of securities of the **Insured Entity**; or
2. any payment or instrument the amount or value of which is derived from the value of securities of the **Insured Entity**, including but not limited to stock appreciation rights or phantom stock plans or arrangements.

**Stock Benefits** shall not include employee stock ownership plans or employee stock purchase plans.

**Subsidiary** means any entity in which the **Named Insured** has **Management Control**, directly or indirectly through one or more other **Subsidiaries**,

1. on or before the effective date of this Policy; or
2. after the effective date of this Policy by reason of being created or acquired by the **Insured Entity** after such date, if and to the extent coverage with respect to the entity is afforded pursuant to Section XV.1.

**Takeover** means:

1. the acquisition by another entity or person, or group of entities or persons acting in concert, of:
  - a. the ownership or control of voting stock of the **Named Insured** resulting in such entity, person or group owning or controlling more than 50% of the voting stock of the **Named Insured**, or
  - b. assets of the **Named Insured** resulting in such entity, person or group owning more than 50% of the total consolidated assets of the **Named Insured** as of the date of the **Named Insured's** most recent audited consolidated financial statement prior to such acquisition;

2. the merger of the **Named Insured** into another entity such that the **Named Insured** is not the surviving entity; or
3. the consolidation of the **Named Insured** with another entity.

**Wrongful Employment Practice** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed or attempted by the **Insured Persons** in their capacity as such or by the **Insured Entity** constituting or related to:

1. wrongful dismissal or discharge or termination of employment, whether actual or constructive;
2. employment-related misrepresentation;
3. violation of any federal, state or local laws (whether common-law or statutory) concerning employment or discrimination in employment, including but not limited to the Americans with Disabilities Act of 1992, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866 and the Sarbanes-Oxley Act of 2002;
4. sexual harassment or other unlawful harassment;
5. wrongful deprivation of career opportunity, failure to grant tenure, demotion, or failure to employ or promote;
6. wrongful discipline;
7. retaliation.
8. negligent evaluation of employees;
9. failure to adopt adequate workplace or employment policies and procedures;
10. employment-related libel or slander, humiliation or invasion of privacy; or
11. with respect to any of the foregoing items (1) through (10) of this definition: negligent hiring, retention, training or supervision, failure to provide or enforce adequate or consistent corporate policies and procedures, or violation of an individual's civil rights;
12. Any other employment related workplace torts.

### III. EXCLUSIONS

The Insurer shall not be liable to pay any **Loss** under this Policy in connection with any **Claim** made against the **Insureds**:

#### 1. **Bodily Injury/Property Damage**

for any actual or alleged bodily injury (including death), sickness, disease of any person, or damage to or destruction of any tangible property including loss of use except that this exclusion shall not apply to allegations of emotional distress, humiliation or mental anguish;

#### 2. **Violation of Law**

for any actual or alleged violation of:

- a. (i) **ERISA or any Similar Act**, (ii) the **Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)**, as amended, or (iii) any other federal, state or local statutory law or common law anywhere in the world governing any employee benefit program, policy, plan or arrangement of any type, including but not limited to laws governing retirement or pension benefit programs, welfare plans, insurance plan, employee stock option ownership or employee stock purchase plans or deferred compensation programs;
- b. any law governing workers' compensation, unemployment insurance, social security, disability benefits or any other similar federal, state or local statutory or regulatory law or common law anywhere in the world;
- c. the Occupational Safety and Health Act of 1970 (OSHA), as amended, or any other federal, state or local statutory or regulatory law or common law anywhere in the world governing workplace safety and health;
- d. the Fair Labor Standards Act (except the Equal Pay Act), as amended, or any other federal, state or local statutory law or common law anywhere in the world governing wage, hour and payroll policies;
- e. the Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988), as amended, or any other federal, state or local statutory or regulatory law or common law anywhere

- in the world governing an employer's obligation to notify or bargain with others in advance of any facility closing or mass layoff.
- f. the National Labor Relations Act, as amended, or any other federal, state or local statutory or regulatory law or common law anywhere in the world governing employees' rights and the employers duties with respect to unions, bargaining, strikes, boycotts, picketing, lockouts or collective activities.

However, this exclusion shall not apply to any **Claim** alleging retaliation or wrongful dismissal or discharge or termination of employment whether actual or constructive, because of a claimant's exercise of a right pursuant to any such laws;

3. **Prior Notice**

based upon or arising out of:

- a. any **Wrongful Employment Practice** or any matter, fact, circumstance, situation, transaction, or event, notice of which was given by an **Insured** under any policy of which this Policy is a direct renewal or replacement ; or
- b. any other **Wrongful Employment Practice** whenever occurring, which, together with a **Wrongful Employment Practice** described in a. above, would constitute **Interrelated Wrongful Employment Practices**;

4. **Prior or Pending**

based upon or arising out of or constituting:

- a. civil proceeding in a court of law or equity or arbitration;
- b. administrative or regulatory proceeding including an investigation by a regulatory or administrative agency;
- c. any notice of violation or order to show cause or written demand for monetary relief or injunctive relief resulting from an audit conducted by the Office of Federal Contract Compliance Programs; against any of the **Insureds** which was pending on or prior to the Prior or Pending Date set forth in Item 8 of the Declarations or any fact, circumstance, situation, transaction or event underlying or alleged in such demand, proceeding, investigation, order or arbitration;

5. **Pollution**

based upon or arising out of: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants**; any request, direction or order that any of the **Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person resulting from any of the aforementioned matters. However, this exclusion shall not apply to any **Claim** alleging retaliation or wrongful dismissal or discharge or termination of employment whether actual or constructive, because of a claimant's exercise of a right pursuant to any such laws;

6. **Assumed Liability**

based upon or arising out of the **Insured's** assumption of the liability of others in any oral or written contract or agreement, unless such liability would have attached to an **Insured** in the absence of such agreement;

7. **Prior Wrongful Employment Practices of Subsidiaries**

based upon or arising out of:

- a. any **Wrongful Employment Practice** by **Insured Persons** of any **Subsidiary** or by such **Subsidiary**, occurring before the date such entity became a **Subsidiary**, or

- b. any other **Wrongful Employment Practice** whenever occurring, which, together with a **Wrongful Act** described in a. above, would constitute **Interrelated Wrongful Employment Practices**.
8. **Non-Monetary Relief**

The Insurer shall not be liable to pay that portion of **Loss**, other than **Defense Costs**, which constitutes:

- a. the cost of any non-monetary relief, including without limitation any costs associated with compliance with any injunctive relief of any kind or nature imposed by any judgment or settlement;
- b. the costs associated with providing any reasonable accommodations required by, made as a result of, or to conform with the requirements of the Americans With Disabilities Act and any amendments thereto or any similar federal, state or local statute, regulation, or common laws.

#### IV. LIMITS OF LIABILITY/RETENTION

1. **Aggregate Limit of Liability**

The Limit of Liability stated in Item 6 of the Declarations is the aggregate limit of the Insurer's liability for all **Loss** under this Policy arising out of all **Claims** first made against all **Insureds** during the **Policy Period** and the Extended Reporting Period (if applicable). The Limit of Liability for the Extended Reporting Period shall be part of and not in addition to the Limit of Liability for the **Policy Period**. Further, a **Claim** which is made subsequent to both the **Policy Period** and the Extended Reporting Period (if applicable) and which pursuant to Section VI. is considered made during the **Policy Period** or Extended Reporting Period shall also be subject to the one aggregate Limit of Liability stated in Item 6 of the Declarations.

**Defense Costs** are part of **Loss** and as such are subject to the Limit of Liability for **Loss**.

2. **Retention**

The Insurer shall only be liable for the amount of **Loss** arising from each **Claim** which is in excess of the applicable Retention amount stated in Item 7 of the Declarations. The Retention amount shall apply to **Loss** arising from each **Claim** and from all **Claims** alleging the same **Wrongful Employment Practice** or **Interrelated Wrongful Employment Practices**. The Retention shall be uninsured. The Insurer will have no obligation to pay all or any portion of any applicable retention.

#### V. SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS

1. **Settlement/Insurer's Consent**

The **Insureds** shall not admit or assume any liability, incur any **Defense Costs**, consent to any judgment, agree to any settlement or make any settlement offer without the Insurer's prior written consent, such consent not to be unreasonably withheld. The Insurer shall not be liable for any **Loss** incurred by an **Insured** to the extent the **Loss** results from such **Insured** admitting liability, incurring any **Defense Costs**, consenting to any judgment, agreeing to any settlement or making any settlement offer without the Insurer's prior written consent. The **Insureds** agree that they shall not knowingly take any action which increases the Insurer's exposure for **Loss** under this Policy. Should the **Insured** be unwilling to settle a **Claim** that the claimant and the Insurer are willing to settle, the Insurer shall continue to be liable for any **Loss** in connection with such **Claim**, but not in excess of the amount for which the **Claim** could have been settled, plus all **Defense Costs** incurred up to the date of the **Insured's** refusal to consent to such settlement.

Notwithstanding the above, if the **Insureds** are able to settle all **Claims** which are subject to a single Retention for an aggregate amount, including **Defense Costs**, not exceeding such Retention, the Insurer's consent shall not be required for the settlement of such **Claims**.

2. **Defense of Claims**

The **Insureds** and not the Insurer have the duty to defend any **Claim**. The **Insureds** may select defense counsel but such selection is subject to the Insurer's written consent, and such consent will not be unreasonably withheld. The Insurer shall be entitled to associate in the defense and the negotiation of any settlement of any **Claim** that involves or appears reasonably likely to involve the Insurer.

### 3. **Allocation of Loss**

If a **Claim** made against the **Insureds** includes both covered and uncovered matters or if a **Claim** is made against **Insureds** who are extended coverage therefor and others who are not extended coverage therefor, the **Insureds** agree that there must be an allocation between insured and uninsured loss. The **Insureds** and the Insurer shall exert their best efforts to agree upon a fair and proper allocation between insured and uninsured loss.

### 4. **Conditions for Advancement of Defense Costs**

The Insurer, on behalf of the **Insureds**, shall advance **Defense Costs** on a current basis but in no event later than ninety (90) days after the receipt by the Insurer of itemized defense bills in excess of the applicable Retention. However, advancement of **Defense Costs** shall be subject to the following conditions:

- a. if the **Insureds** and the Insurer agree on an allocation of insured and uninsured **Defense Costs**, the Insurer shall advance the amount of insured **Defense Costs**;
- b. if the **Insureds** and the Insurer cannot, after exerting their best efforts, agree on an allocation of insured and uninsured **Defense Costs**, the Insurer then shall advance the percentage of **Defense Costs** which the Insurer states to be fair and proper until a different allocation is agreed upon or determined pursuant to the provisions of this Policy and applicable law;
- c. the **Insureds** shall provide a written undertaking satisfactory to the Insurer to repay the Insurer any **Defense Costs** finally established not to be insured; and
- d. any allocation or advancement of **Defense Costs** shall not apply to or create any presumption with respect to the allocation of other **Loss**.

## VI. **REPORTING/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE**

### 1. **Notice of Claim**

The **Insureds** shall, as a condition precedent to the obligations of the Insurer under this Policy, give written notice to the Insurer of a **Claim** as soon as practicable after any the chair of the board, president, chief executive officer, chief financial officer, chief operating officer, partner, in-house general counsel, risk manager or director of human resources of any **Insured Entity** first becomes aware of such **Claim**, but in no event later than sixty (60) days after the end of the **Policy Period** or the Extended Reporting Period, if applicable.

### 2. **Notice of Potential Claim**

If during the **Policy Period** or the Extended Reporting Period, if applicable, any past, present or future chair of the board, president, chief executive officer, chief financial officer, chief operating officer, partner, in-house general counsel, risk manager or director of human resources of any **Insured Entity** first becomes aware of a **Potential Claim**, and during such period an **Insured** gives written notice to the Insurer of:

- a. the names of any potential claimants and a description of the **Wrongful Employment Practice** which forms the basis of their **Potential Claim**,
- b. the identity of the specific **Insureds** allegedly responsible for such specific **Wrongful Employment Practice**,
- c. the consequences which have resulted or may result from such specific **Wrongful Employment Practice**,
- d. the nature of the potential monetary damages or non-monetary relief which may be sought in consequence of such specific **Wrongful Employment Practice**, and
- e. the circumstances by which **Insureds** first became aware of such specific **Wrongful Employment Practice**,

then any **Claim** otherwise covered pursuant to this Policy which is subsequently made and which arises out of such **Wrongful Employment Practice** shall be deemed to have been first made against the **Insureds** and reported to the Insurer by the **Insureds** at the time such written notice was received by the Insurer. No coverage is provided for fees and expenses incurred prior to the time such notice results in a **Claim**.

### 3. **When a Claim is Deemed Made**

Except as provided in 2 above, a **Claim** shall be deemed made:

- a. in the case of a written demand for monetary or non-monetary relief, on the earlier of the **Insured's** or Insurer's receipt of notice of such demand;
- b. in the case of a civil proceeding in a court of law or equity or arbitration, on the date of service upon or other receipt by any **Insured** of a complaint against the **Insured** in such proceeding or arbitration;
- c. in the case of an administrative or regulatory proceeding including an investigation by a regulatory or administrative agency, on the earliest of the date of service upon or other receipt by the **Insured** of a written notice or subpoena from the regulatory or investigating authority.

### 4. **Interrelated Claims**

More than one **Claim** involving the same **Wrongful Employment Practice** or **Interrelated Wrongful Employment Practices** shall be considered as one **Claim** which shall be deemed to have been first made on the earlier of:

- a. the date on which the earliest such **Claim** was first made, or
- b. the first date valid notice was given by the **Insureds** to the Insurer under this Policy of any **Wrongful Employment Practice** or under any prior policy of any **Wrongful Employment Practice** or any fact, circumstance, situation, event or transaction which underlies any such **Claim**.

### 5. **To Whom Notices are Sent**

The **Insureds** shall give written notice to the Insurer under this Policy as specified in Item 4 of the Declarations. If mailed, the date the Insurer receives such notice shall constitute the date such notice was given. Proof of mailing shall be sufficient proof of notice.

## **VII. EXTENDED REPORTING PERIOD**

### 1. **Optional Extended Reporting Period**

If the Insurer or the **Insured** terminates or non-renews this Policy, the **Insured** shall have the right to purchase, upon payment of an additional premium determined as described in Item 5b of the Declarations, an extension of this Policy in which to report **Claims** first made during such Extended Reporting Period, provided such reporting is done in accordance with paragraph VI 1 and 2, and provided further that such **Claim** or circumstance must arise out of a **Wrongful Employment Practice** committed before the earlier of the end of the **Policy Period** or the effective date of any **Takeover**.

This period shall be referred to as the Extended Reporting Period.

### 2. **Payment of Extended Reported Premium**

As a condition precedent to the right to purchase the Extended Reporting Period, the total premium for this Policy must have been paid. The right to purchase the Extended Reporting Period shall end unless the Insurer receives written notice of the **Named Insured's** election to purchase the Extended Reporting Period and full payment of the premium for such period within 30 days after the end of the **Policy Period**.

### 3. **Non-Cancelable/Premium Fully Earned**

If the Extended Reporting Period is purchased, it is non-cancelable and the entire premium shall be deemed fully earned at its commencement without any obligation by the Insurer to return any portion thereof.

4. **No Separate Limit**

There is no separate or additional Limit of Liability for the Extended Reporting Period.

### VIII. CANCELLATION

1. **Insurer's Right to Cancel**

The Insurer shall not cancel this Policy except for non-payment of any premium when due. The Insurer shall provide to the **Named Insured** written notice of such cancellation stating when, not less than 15 days thereafter, such cancellation shall be effective, except that non-payment of premium due at inception of this Policy will result in the policy being cancelled effective as of the inception date.

2. **Named Insured's Right to Cancel**

The **Insureds** grant the exclusive authority to cancel this Policy to the **Named Insured**. The **Named Insured** may cancel this Policy by providing the Insurer written notice stating when thereafter such cancellation shall be effective. The mailing or delivery of such notice shall be sufficient. The unearned premium shall be computed in accordance with customary short rate provisions and premium adjustment may be made at the time cancellation is effected or as soon as practicable.

### IX. TERRITORY

Coverage shall apply to **Claims** made and **Wrongful Employment Practices** committed worldwide.

### X. APPLICATION

The **Insureds** represent and acknowledge that the statements contained in the **Application** and any materials submitted or required to be submitted therewith (which shall be maintained on file by the Insurer and be deemed attached to and incorporated into this Policy as if physically attached), are true and:

- (i) are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy; and
- (ii) shall be deemed material to the acceptance of this risk or the hazard assumed by the Insurer under this Policy.

This Policy is issued in reliance upon the truth of such representations.

In the event the statements, representations or information in the **Application**, including materials submitted or required to be submitted therewith, contain any misrepresentation or omission, this Policy shall be void from inception as to the **Insured** who knew as of the effective date of the Policy, the facts that were misrepresented or omitted, whether or not such person knew of such untruthful disclosure in the **Application**. With respect to this paragraph,

- a. the knowledge of any person who signed the **Application** shall be imputed to all other **Insured Persons**;
- b. except as set forth in c. below, the knowledge of any person who did not sign the **Application** shall not be imputed to any other **Insureds**; and
- c. the knowledge of any past, present or future chair of the board, president, chief executive officer, chief financial officer, chief operating officer, the in-house general counsel or the head of the human resources department shall be imputed to the **Insured Entity** if such person knew of the misrepresentation or omission as of effective date of the Policy.

### XI. OTHER INSURANCE

If any **Loss** resulting from any **Claim** is insured under any other insurance, this Policy shall apply only as excess over any other valid and collectible insurance unless such other insurance is written only as specific excess insurance over the limit of liability provided by this Policy. This Policy shall specifically be excess of any other

valid and collectible insurance pursuant to which any other insurer has a duty to defend a **Claim** for which this Policy may be obligated to pay **Loss**.

## XII. ESTATES, LEGAL REPRESENTATIVES AND SPOUSES

The estates, heirs, legal representatives, assigns, spouses and any **Domestic Partner** of **Insured Persons** shall be considered **Insureds** under this Policy; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns, spouses and **Domestic Partners** only for a claim arising solely out of their status as such and, in the case of a spouse or **Domestic Partner**, where such claim seeks damages from marital community property, jointly held property or property transferred from the **Insured Person** to the spouse or **Domestic Partner**. No coverage is provided for any act, error or omission of an estate, heir, legal representative, assign, spouse or **Domestic Partner**. All terms and conditions of this Policy, including without limitation the Retention, applicable to **Loss** incurred by the **Insured Person** shall also apply to **Loss** incurred by such estates, heirs, legal representatives, assigns, spouses and **Domestic Partners**.

## XIII. NO ACTION AGAINST INSURER

1. No action shall be taken against the Insurer unless, as a condition precedent, there shall have been full compliance with all the provisions of this Policy nor until the amount of the **Insureds'** obligation to pay shall have been finally determined either by final and nonappealable judgment against the **Insureds** after trial or by written agreement of the **Insureds**, the claimant and the Insurer.
2. No person or organization shall have any right under this Policy to join the Insurer as a party to any **Claim** against the **Insureds** to determine the **Insureds'** liability, nor shall the Insurer be impleaded by the **Insureds** or their legal representatives in any such **Claim**.

## XIV. ASSIGNMENT OF INTEREST

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed to this Policy.

## XV. COVERAGE FOR NEW SUBSIDIARIES

1. If, after the effective date of this Policy, the **Insured Entity** first has **Management Control** of any entity, then such entity and any subsidiaries, directors, officers, trustees, employees, members or general partners of such entity who otherwise would thereby become an **Insured** shall be covered under this Policy, subject to its terms and conditions, provided that if, as a result of such entity and its subsidiaries becoming **Insureds**, the total number of all **Employees** increases by more than 10% over the number of employees of the **Insured Entities** as of the inception date of this Policy, then the Insurer, at its sole option upon submission of such information as the Insurer may require, and payment of any additional premium or amendment of the provisions of the Policy, may agree to provide coverage for such subsidiaries, directors, partners, trustees, officers or employees.
2. There shall be no coverage under this Policy for any **Wrongful Employment Practice** by such entity, or by any persons or entities considered to be **Insureds** pursuant to Section XV.1 above, where such **Wrongful Employment Practice** occurred in whole or in part before the effective date of such acquisition or merger or for any **Wrongful Employment Practice** occurring on or after such date which, together with any **Wrongful Employment Practices** occurring before such date, would be considered **Interrelated Wrongful Employment Practices**.

## XVI. CHANGE OF STATUS OF INSUREDS

### 1. Takeover of the Named Insured

In the event of a **Takeover** of the **Named Insured**, coverage under this Policy shall continue until this Policy is otherwise terminated, but only with respect to **Claims** for **Wrongful Employment Practices** occurring before the effective date of the **Takeover**, unless (i) the Insurer is notified in writing of the **Takeover** prior to the **Takeover** effective date and agrees in writing to provide coverage for **Wrongful Employment Practices** occurring on or after such effective date, and (ii) the **Named Insured** accepts

any special terms, conditions, exclusions or additional premium charge required by the Insurer. This Policy may not be canceled after the effective time of the **Takeover** and the entire premium for this Policy shall be deemed earned as of such time. The **Named Insured** shall also have the right to an offer by the Insurer of an Extended Reporting Period described in Section VII of this Policy.

## 2. Cessation or Takeover of Subsidiary

If any organization ceases to be a **Subsidiary** there shall be no coverage under this Policy for any **Wrongful Employment Practice** by such organization or any **Insured Person** of such organization occurring after the date such organization ceased to be a **Subsidiary**.

In the event of a **Takeover** of a **Subsidiary**, coverage under this Policy shall continue until this Policy is otherwise terminated, but only with respect to **Claims** for **Wrongful Employment Practices** occurring before the effective date of the **Takeover**, unless (i) the Insurer is notified in writing of the **Takeover** prior to the **Takeover** effective date and agrees in writing to provide coverage for **Wrongful Employment Practices** occurring on or after such effective date, and (ii) the **Insured Entity** accepts any special terms, conditions, exclusions or additional premium charge required by the Insurer.

## XVII. ASSISTANCE AND COOPERATION

Each **Insured** shall give the Insurer full cooperation and shall furnish the Insurer with copies of reports, investigations, pleadings, and all related papers, and such other information, assistance and cooperation as the Insurer may reasonably request. The **Insureds** shall do nothing which in any way increases the Insurer's exposure under this Policy or in any way prejudices the Insurer's potential or actual rights of recovery.

## XVIII. SUBROGATION AND RECOVERY

To the extent it pays any **Loss**, the Insurer shall be subrogated to all the **Insureds'** rights of recovery therefore. The **Insureds** shall execute all papers necessary to secure such rights, including executing any documents necessary to enable the Insurer effectively to bring suit in their name, and shall take no action which impairs the Insurer's rights of subrogation or recovery.

## XIX. NOTICES TO THE NAMED INSURED

Any notices to the **Named Insured** under this Policy shall be provided to the **Named Insured** at the last known address and to its insurance agent or broker. If properly mailed, the date of mailing shall constitute the date such notice was given.

## XX. CHANGES

Notice to or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right under the provisions of this Policy, nor shall the provisions be waived or changed except by written endorsement issued to form a part of this Policy.

## XXI. COMPANY AUTHORIZATION

The **Insureds** agree that the **Named Insured** will act on behalf of the **Insureds** with respect to giving of all notice to the Insurer (except notices provided in Section VI.1 or 2), the receipt of notices from the Insurer, the payment of the premiums, the receipt of any return premiums that may become due under this Policy, and the agreement to and acceptance of endorsements.

## XXII. ENTIRE AGREEMENT

The **Insureds** agree that this Policy, including the **Application** and any materials submitted or required to be submitted therewith, and any written endorsement attached, constitute the entire contract existing between them and the Insurer or any of its agents relating to this insurance.

**XXIII. BANKRUPTCY**

Bankruptcy or insolvency of any **Insured Entity** or any **Insured Person** shall not relieve the Insurer of any of its obligations hereunder.

**XXIV. ALTERNATIVE DISPUTE RESOLUTION PROCESS**

All disputes or differences between the **Insured** and Insurer which may arise under or in connection with this Policy, whether arising before or after termination of this Policy, including any determination of the amount of **Loss**, shall be submitted to the alternative dispute resolution ("**ADR**") process set forth in this Section.

Either the Insurer or an **Insured** may elect the type of **ADR** process discussed below; provided, however, that such **Insured** shall have the right to reject the Insurer's choice of the type of **ADR** process at any time prior to its commencement, in which case such **Insured's** choice of **ADR** process shall control.

The Insurer and each and every **Insured** agrees that there shall be two choices of **ADR** process: (1) non-binding mediation administered by the American Arbitration Association, in which the Insurer and any such **Insured** shall try in good faith to settle the dispute by mediation under or in accordance with its then-prevailing Commercial Mediation Rules; or (2) arbitration submitted to the American Arbitration Association in accordance with its then-prevailing Commercial Arbitration Rules, in which the arbitration panel shall consist of three disinterested individuals. In either mediation or arbitration, the mediator or arbitrators shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. The mediator or arbitrators shall also give due consideration to the general principles of the law of the state where the **Named Insured** is incorporated in the construction or interpretation of the provisions of this Policy. In the event of arbitration, the decision of the arbitrators shall be final and binding and provided to both parties, and the arbitrators' award shall not include attorney's fees or other costs. In the event of mediation, either party shall have the right to commence a judicial proceeding, provided, however, that no such judicial proceeding shall be commenced until the mediation shall have been terminated and at least 60 days shall have elapsed from the date of the termination of the mediation. In all events, each party shall share equally the expenses of the **ADR** process.

Either choice of **ADR** process may be commenced in New York or Illinois or in the state indicated in the Declarations as the mailing address for the **Named Insured**.

**XXV. HEADINGS**

The descriptions in the headings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

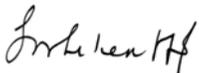
**XXVI. VALUATION**

All premiums, limits, retentions, **Loss** and other amounts under this policy are expressed and payable in United States of America currency. If any judgment, settlement or any part of **Loss** is expressed or calculated in any other currency, payment of such **Loss** due under this Policy will be made in the currency of the United States of America, at the rate of exchange published in The Wall Street Journal on the date the Insurer's obligation to pay such **Loss** is established, or, if not published on that date, on the date of next publication.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be executed by its Chairman and Secretary, but this Policy shall not be binding upon us unless completed by the attachment of the Declarations.

Chairman

Secretary





**AMENDMENT TO CANCELLATION PROVISIONS  
NONCANCELABLE BY INSURER EXCEPT FOR NONPAYMENT OF PREMIUM  
EXPANDED NOTICE TIME**

Notwithstanding any provision to the contrary in this Policy, the Insurer shall not cancel this Policy except for non-payment of any premium when due. The Insurer shall provide to the **Named Insured** written notice of such cancellation stating when, not less than \_\_\_\_\_ days thereafter, such cancellation shall be effective. However, if such cancellation is because of non-payment of premium due at inception of this **Policy Period**, such cancellation shall be effective as of the inception date unless the Insurer receives payment of such premium within \_\_\_\_\_ days after the Insurer provides written notice to the **Named Insured** of such cancellation.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**AMENDMENT TO COVERAGE FOR NEW SUBSIDIARIES  
EMPLOYEE THRESHOLD AND AUTOMATIC COVERAGE AMENDMENT**  
(For use with GSL7213)

In consideration of the premium paid for this Policy, it is understood and agreed that paragraph 1 of Section **XV. COVERAGE FOR NEW SUBSIDIARIES** is deleted in its entirety and replaced by the following:

1. If, after the effective date of this Policy the **Insured Entity** first has **Management Control** of any entity, then such entity and any subsidiaries, directors, officers, trustees or employees of such entity who otherwise would thereby become an **Insured** shall be covered under this Policy, subject to its terms and conditions, provided that if, as a result of such entity and its subsidiaries becoming **Insureds**, the total number of all **Employees** increases by more than «EndField1» over the number of employees of the **Insured Entities** as of the inception date of this Policy, then such subsidiaries, directors, trustees, officers or employees shall be afforded coverage for «EndField2» days after the **Insured Entity** first has such **Management Control** provided the **Named Insured** notifies the Insurer of the **Management Control** of such entity prior to or during such «EndField3» day period and pays any required additional. The Insurer, at its sole option upon submission of such information as the Insurer may require, and payment of any additional premium or amendment of the provisions of the Policy, may agree to provide coverage for such entity and its directors and officers beyond such «EndField4» day period.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



### ADDITIONAL INSURED ENTITIES

In consideration of the premium paid for this Policy, it is agreed that the definition of **Insured Entity** of Section II. **DEFINITIONS** is deleted in its entirety and replaced by the following:

**Insured Entity** means:

1. the **Named Insured**;
2. the following entities:  
«EndField1»

and any **Subsidiary** including any such entity as a debtor in possession under United States bankruptcy law or an equivalent status under the law of any other country.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**COVERAGE FOR NEW SUBSIDIARIES –  
TOTAL NUMBER OF EMPLOYEES % THRESHOLD AMENDMENT**

In consideration of the premium paid for this Policy, it is agreed that Section **XV. COVERAGE FOR NEW SUBSIDIARIES** is amended by deleting the reference to 10% in paragraph 1. and replacing it with «EndField1»%.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**COMMON CLAIM TIE-IN-LIMITS ENDORSEMENT**

In consideration of the premium paid for this Policy, it is agreed that:

- 1. The **LIMITS OF LIABILITY/RETENTION** section is amended to add the following at the end thereof:

In the event any **Loss** is payable under this Policy and Policy No. \_\_\_\_\_(or any renewal or replacement of such policy or any policy which succeeds it in time) issued by the Insurer to the **Named Insured**, and such **Loss** arises out of a **Common Claim**, then such **Loss** shall be subject to a combined aggregate limit of liability and a combined retention under both policies in the amount of \$\_\_\_\_\_ and \$\_\_\_\_\_, respectively. In no event shall the Insurer be liable to pay any amount in excess of such combined aggregate limit of liability with respect to such **Common Claim**. In no event shall the Insured's retention with respect to such **Common Claim** exceed the combined aggregate retention set forth herein.

Nothing in the preceding paragraph shall be construed to increase the Insurer's Limit of Liability under this Policy as stated in Item 6 of the Declarations, which shall remain \$\_\_\_\_\_.

- 2. The **POLICY DEFINITIONS** section is amended to include the following definition:

**Common Claim** means any **Claim** that (i) is submitted for payment under this Policy and Policy No. \_\_\_\_\_(or any renewal or replacement of such policy or any policy which succeeds it in time) and (ii) that is logically or casually connected by reason of any common fact, circumstance, situation, transaction or event.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**THIRD PARTY WRONGFUL EMPLOYMENT PRACTICE CLAIMS  
WITH SEPARATE RETENTION  
ENDORSEMENT**

In consideration of the premium paid for this Policy, it is agreed that Section II, **DEFINITIONS**, is amended as follows:

1. Section I, **Insuring Agreement** is amended to add the words "or by a third party with respect to a **Third Party Wrongful Employment Practice**" between the words "for a **Wrongful Employment Practice**" and "provided that such **Claim**".

2. The definition of **Wrongful Employment Practice** is amended to add the following paragraph:

**Wrongful Employment Practice** also includes **Third Party Wrongful Employment Practice**.

3. The following new definition is added:

**Third Party Wrongful Employment Practice** means any **Wrongful Employment Practice** constituting or relating to sexual harassment or other unlawful harassment, or violation of any federal, state or local laws (whether common law or statutory) concerning unlawful discrimination of any third party.

**Third Party Wrongful Employment Practices Claim** means any **Claim** based upon or arising out of a **Third Party Wrongful Employment Practice**.

4. Solely with respect to the coverage provided by this endorsement, Paragraph 2., Retentions, Section IV. **LIMITS OF LIABILITY/RETENTION** is amended by the addition of the following:

A **Third Party Wrongful Employment Practice Claim** Retention in the amount of \$«EndField1» shall be the Retention applicable to **Loss** in connection with each **Third Party Wrongful Employment Practice Claim**. The Retention specified on the Declarations Page shall continue to apply with respect to each **Claim** other than a **Third Party Wrongful Employment Practice Claim**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



## DUTY TO DEFEND ENDORSEMENT

In consideration of the premium paid for this Policy, it is hereby understood and agreed as follows:

1. Section II. **DEFINITIONS** is amended to delete the definition of **Defense Costs** and replace it as follows:

**Defense Costs** means fees, costs and expenses incurred by the Insurer in the investigation, adjustment, defense or appeal of any covered **Claim**, and includes premium for appeal bonds, attachment bonds or similar bonds arising out of a covered judgment. The Insurer has no obligation to provide such bonds. **Defense Costs** shall not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers, and employees of the **Insured Entity**.

2. Section V., **SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS** is amended as follows:

- A. Paragraph 1. **Settlement/Insurer's Consent** is renamed "**Settlement/Insured's Consent**" and is amended to delete the second paragraph in its entirety.

- B. Paragraph 2. **Defense of Claims** is deleted in its entirety and replaced as follows:

2. **Defense of Claims**

The Insurer shall have the right and duty to defend in the **Insured's** name and on the **Insured's** behalf a **Claim** covered by this Policy even if any of the allegations of the **Claim** are groundless, false or fraudulent. The Insurer shall have the right to appoint counsel and to make such investigation and defense of a **Claim** as is deemed necessary by the Insurer. If a **Claim** is subject to arbitration or mediation, the Insurer shall be entitled to exercise all of the **Insured's** rights in the choice of arbitrators or mediators and in the conduct of an arbitration or mediation proceeding.

The Insurer may make any settlement of any **Claim** it deems expedient with respect to any **Insured**, subject to such **Insured's** written consent. If any **Insured** withholds consent to such settlement, the Insurer's liability for all **Loss** on account of such **Claim** shall not exceed the amount for which the Insurer could have settled such **Claim**, plus **Defense Costs** incurred as of the date such settlement was proposed in writing by the Insurer.

- C. Paragraph 3. **Allocation of Loss** is deleted in its entirety.

- D. Paragraph 4. **Conditions for Advancement of Defense Costs** is deleted in its entirety and a new paragraph is added as follows:

4. **Reimbursement of the Company**

If the Insurer, in the exercise of its discretion and without any obligation to do so, pays any amount within the amount of the Retention, the **Insured Entity** shall be liable to the Insurer for any and all such amounts and, upon demand, shall pay such amounts to the Insurer.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



## OUTSIDE POSITION ENDORSEMENT

In consideration of the premium paid for this Policy, it is hereby understood and agreed as follows:

1. Section **II. DEFINITIONS** is amended as follows:

A. The definition of **Insured Persons** is deleted in its entirety and replaced as follows:

**Insured Person** means any **Executive** or **Employee** of an **Insured Entity**, or any **Outside Entity Executive**.

B. The following new definitions are added:

- **For-Profit Outside Entity** means any organization, other than the **Named Insured**, any **Subsidiary** and any **Not-For-Profit Outside Entity**, if such organization is specifically listed as such in paragraph 4 of this Endorsement.
- **Not-For-Profit Outside Entity** means any entity, other than an **Insured Entity**, exempt from federal income taxation pursuant to 26 U.S.C. §501(c)(3), as amended.
- **Outside Entity** means any **Not-For-Profit Outside Entity** or any **For Profit Outside Entity**.
- **Outside Entity Executive** means an **Executive** of an **Insured Entity** who is or was acting as an **Executive** in any **Outside Entity**, provided and so long as such service is at the specific request, consent or direction of the **Insured Entity**.

2. Section **III. EXCLUSIONS** is amended to add the following new exclusions:

- **Outside Entity vs. Insured Persons**

made against an **Outside Entity Executive** by or on behalf of the **Outside Entity**;

3. Section **XI. OTHER INSURANCE** is amended to add a new paragraph

- Any coverage under this Policy for **Claims** against any **Insured Person** while acting as an **Outside Entity Executive** shall be specifically excess of any insurance and/or indemnification available to such **Outside Entity Executive** from the **Outside Entity**. Payment by the Insurer or any affiliate of the Insurer under another policy as a result of a **Claim** against an **Insured Person** while acting as an **Outside Entity Executive** shall reduce, by the amount of such payment, the Insurer's Limit of Liability under this Policy with respect to such **Claim**.

4. Schedule of **For-Profit Outside Entities**:

\_\_\_\_\_

The coverage provided hereunder to an **Outside Entity Executive** applies only to those **Wrongful Employment Practices** that occurred on or after the date the **Insured Entity** requested, consented to or directed such **Outside Entity Executive** to serve in such capacity.



All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



### Extension of Time to Report Claims Made During the Policy Period

In consideration of the premium paid for this Policy, it is hereby understood and agreed that paragraph 1 of Section VI. **REPORTING/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE** is amended to delete the words "thirty (30) days" and replace them with the words "sixty (60) days".

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**APPROVED COUNSEL ENDORSEMENT**

In consideration of the premium paid for this Policy, it is hereby understood and agreed that Section V. **SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVACEMENT OF DEFENSE COSTS** is amended to add the following:

The Insureds agree to retain a law firm from the list of law firms set forth below to represent any of the **Insureds** in the defense or settlement of any **Claim**. Further, the Insureds agree that only those amounts billed in accordance with the hourly rates set forth below will be included within the definition of **Defense Costs**. Any amounts billed in excess of such hourly rates are not "**Defense Costs**" as defined in the policy.

Name of Law Firm	Hourly Rate			
	Partner	Associate	Paralegal	Blended Rate

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**Automatic 90 day coverage for New Subsidiaries with Variable Percentage**

In consideration of the premium paid for this Policy, it is hereby understood and agreed that paragraph 1 of Section XV., COVERAGE FOR NEW SUBSIDIARIES is deleted in its entirety and replaced as follows:

1. If, after the effective date of this Policy, the **Insured Entity** first has **Management Control** of any entity, then such entity and any subsidiaries, directors, officers, trustees or employees of such entity who otherwise would thereby become an **Insured** shall be covered under this Policy, subject to its terms and conditions. However, if, as a result of such entity and its subsidiaries becoming **Insureds**, the total number of all **Employees** increases by more than \_\_\_\_\_% over the number of employees of the **Insured Entities** as of the inception date of this Policy, then, the **Insured Entity** shall give written notice of such new entity to the Insurer as soon as practicable but in no event more than ninety (90) days after the effective date of such **Management Control**, and the Insurer, at its sole option upon submission of such information as the Insurer may require, and payment of any additional premium or amendment of the provisions of the Policy, may agree to continue coverage beyond such ninety (90) days for such subsidiaries, directors, trustees, officers or employees . If the **Named Insured** fails to comply with this notice requirement, coverage otherwise afforded by this provision shall terminate as of ninety (90) days after the effective date of such **Management Control**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



## EMPLOYMENT CONTRACT EXCLUSION ENDORSEMENT

In consideration of the premium paid for this Policy, it is hereby understood and agreed as follows:

1. Section **II. DEFINITIONS**, the definition of **Loss** is amended to delete subparagraph 3 under the paragraph beginning, "However, **Loss** does not include".
2. Section **III. EXCLUSIONS** is amended to add the following new exclusion:
  - **Employment Contract Exclusion**

The Insurer shall not be liable to pay any **Loss**, other than **Defense Costs**, under this Policy in connection with any **Claim** based on or arising out of the breach of any written contract of employment.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**AMEND NOTICE OF CLAIM REPORTING REQUIREMENT  
FROM 30 DAYS TO 45 DAYS**

In consideration of the premium paid for this Policy, it is hereby understood and agreed that Section **VI. REPORTING/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE** Paragraph 1. **Notice of Claim**, is deleted in its entirety and replaced as follows:

1. Notice of Claim

The **Insureds** shall, as a condition precedent to the obligations of the Insurer under this Policy, give written notice to the Insurer of a **Claim** as soon as practicable after any **Executive** or any member of the in-house general counsel, risk management or human resources departments of any **Insured Entity** first becomes aware of such **Claim**, but in no event later than forty-five (45) days after the end of the **Policy Period** or the Extended Reporting Period, if applicable.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



## EMPLOYMENT PRACTICES LIABILITY SOLUTIONS

### NOTICE:

THIS IS A CLAIMS MADE POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. CLAIMS MUST BE REPORTED TO THE COMPANY IN ACCORDANCE WITH SECTION VI. DEFENSE COSTS ARE WITHIN THE LIMIT OF LIABILITY.

PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

Terms in bold face type have the special meaning. See the definitions sections of this Policy.

NAMED INSURED AND ADDRESS		PRODUCER
<b>Item 1.</b>	«CusChangeName» «CusStreetAddress» «CusCityStateZip»	«ProChangeName» «ProContactFullName» «ProStreetAddress» «ProCityStateZip»
Attn:	«CusContactFullName»	
CUSTOMER NUMBER		INSURER
	«CusNumber»	«PolUWCompany»
POLICY NUMBER		CNA Plaza
	«PolNumber»	Chicago, Illinois 60685-0001

**Item 2.** Policy Period: «PolEffectiveDate» to «PolExpirationDate»

12:01 a.m. local time at the address stated in Item 1.

**Item 3.** Policy Premium \$«PolPremium» \_\_\_\_\_

**Item 4.** Notices to Insurer:

**Claims:**  
CNA Global Specialty Lines  
40 Wall Street  
New York, NY 10005  
Attn: GSL Claims Intake Coordinator

All other notices:  
CNA Global Specialty Lines  
«ProcessAddress»

**Item 5.** Extended Reporting Period:

- a. Period: «ExtendedPeriod»
- b. Premium: «ExtendedPremium»% of **Policy Premium**

**Item 6.** Limit of Liability (Inclusive of **Defense Costs**):

\$«PolAggLimit» aggregate limit of liability

**Item 7.** Retentions

Each **Claim** - \$«Retentions6»

**Item 8.** Prior or Pending Date: «PolLitigationDate»

**Item 9.** Endorsements forming a part of this Policy at issuance:

«PolEndoAltNbrsDateName»



## EMPLOYMENT PRACTICES LIABILITY SOLUTIONS

These Declarations, along with the completed and signed **Application**, the Policy, and any written endorsements attached shall constitute the contract between the **Insureds** and the Insurer."

Authorized Representative:

Date:



### Bilateral Extended Reporting Period

In consideration of the premium paid, it is agreed that paragraph 1 of Section VII, **EXTENDED REPORTING PERIOD**, is amended by deleting the first part of the first sentence up to the first comma in its entirety and replacing it as follows:

If the **Named Insured** cancels or if the **Named Insured** or the Insurer non-renews this Policy,

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



### Coinsurance Clause

In consideration of the premium paid, it is agreed that Section V, **SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS** is amended to add a new paragraph as follows:

- **Coinsurance**

Solely with respect to all **Loss** (excess of the applicable Retention), the **Insureds** shall bear uninsured and at their own risk \_\_\_\_\_ percentage of all such **Loss** as a Coinsurance percentage. This percentage shall be applied to all **Loss** on account of all **Claims**. The Insurer's liability shall apply only to the remaining percent of all such **Loss**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



## TRADE AND ECONOMIC SANCTIONS ENDORSEMENT

In consideration of the premium paid, a new condition is added to the policy as follows:

This policy does not provide coverage for **Insureds**, transactions or that part of **Loss** that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**Coverage for New Subsidiaries Asset Size Amendment**

In consideration of the premium paid, it is agreed that Section **XV. COVERAGE FOR NEW SUBSIDIARES** is amended by deleting the words "ten percent (10%)" in paragraph 1. in their entirety and replacing them with \_\_\_\_\_%.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



## Independent Contractor Coverage

In consideration of the premium paid for this Policy, it is agreed that the Policy is amended as follows:

The definition of **Employee** in Section **II, DEFINITIONS** is amended to delete the final sentence and replace it as follows:

**Employee** also includes any natural person who is contracted to perform work for the **Insured Entity** as an independent contractor, but only if:

- a. such independent contractor has a written contract with the **Insured Entity**, entered into prior to the alleged **Wrongful Employment Practice**, designating him or her as an independent contractor, and under which the **Insured Entity** is obligated to provide employment practices liability insurance or to indemnify for any **Wrongful Employment Practice**; or
- b. the **Insured Entity** is obligated pursuant to any applicable law or regulation to provide indemnification to such independent contractor for **Wrongful Employment Practices**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**MASS OR CLASS ACTION RETENTION, SUBLIMITS AND COINSURANCE ENDORSEMENT**

It is understood and agreed that the following amendments are made to the policy:

- 1. Section II, **DEFINITIONS**, is amended by the addition of the following new definition:

**Mass or Class Action Claim** means a **Claim** brought:

- a. by or on behalf of five or more natural persons making a pattern and practice or systemic discrimination, harassment or hostile work environment allegation harassment, whether or not such natural persons are represented by one or more legal counsel;
- b. by one person or group of persons who are seeking certification as a class action under any federal or state law, regulation or procedural rule;
- c. by a governmental entity, department or agency making a pattern and practice or systemic discrimination, harassment or hostile work environment allegation or seeking monetary relief on behalf of a class or group of complainants in order to resolve such **Claim**.

- 2. Solely with respect to any **Mass or Class Action Claim**, Section IV, **LIMITS OF LIABILITY/RETENTION** is amended to add a new paragraph as follows:

Separate sublimits as set forth below shall apply with respect to each such **Mass or Class Action Claim** and to all such **Mass or Class Action Claims** in the aggregate. The sublimits are included within, and not in addition to, the limits of liability set forth in Item 6. of the Declarations.

**MASS OR CLASS ACTION CLAIM SUBLIMITS OF LIABILITY:**

\$ \_\_\_\_\_ Each **Mass or Class Action Claim**

\$ \_\_\_\_\_ In the Aggregate all **Mass or Class Action Claim**,

A separate **Mass or Class Action Claim** Retention in the amount of \$ \_\_\_\_\_ shall be the Retention Amount applicable to each **Mass or Class Action Claim**. The Retention Amount specified in Item 7 of the Declarations shall continue to apply with respect to each **Claim** other than a **Mass or Class Action Claim**.

- 3. Solely with respect to any **Mass or Class Action Claim**, Section V, **SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS** is amended to add a new paragraph as follows:

- **Coinsurance**

Solely with respect to all **Loss** (excess of the applicable Retention), the **Insureds** shall bear uninsured and at their own risk \_\_\_\_\_ percentage of all such **Loss** as a Coinsurance percentage. This percentage shall be applied to all **Loss** on account of all **Claims**. The Insurer's liability shall apply only to the remaining percent of all such **Loss**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**Prior Acts Coverage for a Subsidiary Endorsement**

In consideration of the premium paid for the Policy, it is agreed that:

- 1. SECTION II., **DEFINITIONS**, **Subsidiary** is amended by the addition of the following:

**Subsidiary** shall also mean the listed entities, which shall be provided coverage for **Claims** first made during the **Policy Period** or the Extended Reporting Period for **Wrongful Employment Practices**. The Prior or Pending Date set forth in item 8 of the Declarations is amended as set forth below with respect to such **Subsidiary** and its **Insured Persons**.

- 2. SECTION III., **EXCLUSIONS** is amended to delete paragraph 8. **Prior Wrongful Employment Practices of Subsidiaries** in its entirety with respect to the **Subsidiaries** listed below.

Name of Entity

Prior or Pending Date

<u>Name of Entity</u>	<u>Prior or Pending Date</u>

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
 (No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**Defense Costs only Coverage for Violation of Fair Labor Standards Act**

In consideration of the premium paid for this Policy, it is agreed that the Policy is amended as follows:

1. Subparagraph d. of Paragraph 2, **Violation of Law**, of Section III, **EXCLUSIONS** is deleted in its entirety.
2. Section III, **EXCLUSIONS** is amended to add the following exclusion:

- **Fair Labor Standards Act**

The Insurer shall not be liable to pay that portion of **Loss**, other than **Defense Costs**, based upon or arising out of, or in any way involving any actual or alleged violation of The Fair Labor Standards Act, as amended, or any other federal, state or local statutory or regulatory law or common law anywhere in the world governing wage, hour or payroll policies. However, this exclusion shall not apply to the Equal Pay Act.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**Claims against Specified Individuals Exclusion Endorsement**

In consideration of the premium paid for this Policy, it is agreed that the Policy is amended as follows:

Section **III. EXCLUSIONS** is amended by the addition of the following language:

The Insurer shall not be liable to pay any **Loss** in connection with any **Claim** made against the following individuals:

\_\_\_\_\_

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**Conditions for Advancement of Defense Costs**

In consideration of the premium paid for this Policy, it is agreed that Section V, **SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS**, paragraph 4, **Conditions for Advancement of Defense Costs**, is amended to delete the first sentence and replace it as follows:

The Insurer, on behalf of the **Insureds**, shall advance **Defense Costs** no later than sixty (60) days after the receipt by the Insurer of itemized defense bills in excess of the applicable Retention.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**DEFINITION OF CLAIM TO INCLUDE TOLLING**

In consideration of the premium paid for this Policy, it is agreed that Section II, **DEFINITIONS** is amended as follows:

The definition of **Claim** is amended to add the following sentence:

**Claim** also includes a written request received by the **Insured Entity** to toll or waive a statute of limitations in connection with a **Potential Claim**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**Amendment of Hammer Clause**

In consideration of the premium paid for this Policy, it is agreed that the Policy is amended as follows:

Paragraphs 1, **Settlement/Insurer's Consent**, of Section **V, SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS** is amended by deleting the final sentence and replacing it as follows:

Subject to Section **IV, LIMITS OF LIABILITY/RETENTION**, should the **Insured** be unwilling to settle a **Claim** that the claimant and the Insurer are willing to settle, the Insurer shall continue to be liable for any **Loss** in connection with such **Claim**, but not in excess of:

- a. the amount for which the **Claim** could have been settled, plus all **Defense Costs** incurred up to the date of the **Insured's** refusal to consent to such settlement; plus
- b. \_\_\_\_\_% percent of any such **Loss** in excess of the amount specified in paragraph a. above.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



## MASS OR CLASS ACTION RETENTION ENDORSEMENT

It is understood and agreed that the following amendments are made to the policy:

1. Section II, **DEFINITIONS**, is amended by the addition of the following new definition:

**Mass or Class Action Claim** means a **Claim** brought:

- a. by or on behalf of five or more natural persons making a pattern and practice or systemic discrimination, harassment or hostile work environment allegation harassment, whether or not such natural persons are represented by one or more legal counsel;
  - b. by one person or group of persons who are seeking certification as a class action under any federal or state law, regulation or procedural rule;
  - c. by a governmental entity, department or agency making a pattern and practice or systemic discrimination, harassment or hostile work environment allegation or seeking monetary relief on behalf of a class or group of complainants in order to resolve such **Claim**.
2. Solely with respect to any **Mass or Class Action Claim**, Section IV, **LIMITS OF LIABILITY/RETENTION**, a separate **Mass or Class Action Claim** Retention in the amount of \$\_\_\_\_\_ shall be the Retention Amount applicable to each **Mass or Class Action Claim**. The Retention Amount specified in Item 7 of the Declarations shall continue to apply with respect to each **Claim** other than a **Mass or Class Action Claim**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**Prior or Pending Date Applicable to Increased Limits**

In consideration of the premium paid for this Policy, it is agreed that the Policy is amended as follows:

Paragraphs 1, **Aggregate Limit of Liability**, of Section IV, **LIMIT OF LIABILITY/RETENTION** is amended by the addition of the following:

- \$\_\_\_\_\_ shall be the maximum Limit of Liability available for all covered **Claims** made against the **Insureds** based upon, directly or indirectly arising out of, or in any way involving any civil, criminal, administrative or regulatory proceeding, investigation or arbitration pending after the Prior or Pending Date in Item 8 of the Declarations Page, but before\_\_\_\_\_.
- Such Limit of Liability shall be inclusive of the Limit of Liability set forth in Item 6 on the Declarations Page, and in no way shall this increase the insurer's maximum Limit of Liability under the Policy.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**Midterm Increase in Limits Endorsement**

In consideration of the premium paid for this Policy, it is agreed that the Policy is amended as follows:

1. Paragraph 1 of Section IV, **LIMIT OF LIABILITY/RETENTION** is amended by the addition of the following:

The aggregate limit of liability shall be as follows:

- a. The Limit of Liability in the amount of \$\_\_\_\_\_ shall be available for all covered **Claims** made against the **Insureds** prior to \_\_\_\_\_; and
- b. The Limit of Liability in the amount of \$\_\_\_\_\_ shall be available for all covered **Claims** made against the **Insureds** on or after \_\_\_\_\_.
- c. The \$\_\_\_\_\_ Limit of Liability set forth in paragraph b. above shall be inclusive of the \$\_\_\_\_\_ Limit of Liability set forth above in paragraph a. above and in no way shall this increase the Insurer's maximum Limit of Liability under this Policy.

2. Notwithstanding anything to the contrary set forth above, any prior and pending date or retroactive date set forth in the Declarations continues to apply as set forth in the Policy.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



### THIRD PARTY CLAIMS ENDORSEMENT

In consideration of the premium paid for this Policy, it is agreed that Section II, **DEFINITIONS**, is amended as follows:

1. The definition of **Wrongful Employment Practice** is amended to add the following paragraph:

**Wrongful Employment Practice** also includes **Third Party Wrongful Employment Practice**.

2. The following new definition is added:

**Third Party Wrongful Employment Practice** means any **Wrongful Employment Practice** constituting or relating to sexual harassment or violation of a natural person's civil rights relating to such sexual harassment of any vendor, supplier or customer of the **Insured Entity**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**AGGREGATE RETENTION ENDORSEMENT**

In consideration of the premium paid for this Policy, it is agreed as follows:

The retention shown in the Declarations is amended to read:

Each "claim": \$ \_\_\_\_\_

In the Aggregate: \$ \_\_\_\_\_

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_

(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



### CAP ON ATTORNEY FEES ENDORSEMENT

In consideration of the premium paid for this Policy, it is agreed that Section **II, DEFINITIONS**, is amended as follows:

1. The definition of **Defense Costs** is amended to add the following new sentence:

**Defense Costs** do not include that portion of any attorney fees incurred by an **Insured** in excess of \$\_\_\_\_\_ per hour.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



## AMENDMENT OF DECLARATIONS ENDORSEMENT

In consideration of the premium paid for this Policy, it is agreed that Item «EndField1» of the Declarations Page is amended as follows:

«EndField2»

All other provisions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



## EXCLUSION OF CERTIFIED ACTS OF TERRORISM

The Insureds have been previously notified of the availability of and the price for coverage of **Certified Acts of Terrorism** under the Federal Terrorism Risk Insurance Act of 2002. The Insureds have opted to exclude such coverage from the policy. This endorsement excludes such **Certified Acts of Terrorism**.

In consideration of the premium paid for this Policy, it is agreed as follows:

1. The Definitions Section is amended by the addition of the following new term:

**Certified Act of Terrorism** means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002.

The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a **Certified Act of Terrorism**:

- a. The act resulted in aggregate losses in excess of \$5 million;
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure;
- c. The act resulted in damage within the United States, or outside of the United State in the case of an air carrier or vessel or in the premises of a United States mission; and
- d. The act is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

2. The Exclusions Section is amended by the addition of the following new exclusion:

based upon, directly or indirectly arising out of, or in any way involving a **Certified Act of Terrorism**.

3. In the event of any incident of a **Certified Act of Terrorism** that is not subject to this exclusion, coverage does not apply to any **Loss** that is otherwise excluded under this Policy.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**IMPORTANT INFORMATION  
POLICYHOLDER DISCLOSURE**

**NOTICE OF INSURANCE COVERAGE  
FOR ACTS OF TERRORISM**

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, effective November 26, 2002, you have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that coverage provided by this policy for losses caused by certified acts of terrorism is partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided below and does not include any charges for the portion of loss covered by the federal government under the Act.

If you want to purchase this coverage, you must pay \$«TerrorismAmount» Premium.

If you do not want to purchase this coverage, you must sign below and return this form to us at the address indicated below.

BY SIGNING BELOW, I AGREE THAT I AM REJECTING COVERAGE FOR LOSSES ARISING OUT OF CERTIFIED ACTS OF TERRORISM, AS DEFINED IN THE ACT. I UNDERSTAND THAT LOSSES ARISING FROM ACTS OF TERRORISM WILL BE EXCLUDED.

«CusChangeName»  
\_\_\_\_\_  
Applicant/Named Insured

«PolUWCompany»  
\_\_\_\_\_  
Insurance Company

By: \_\_\_\_\_  
Authorized Representative's Signature

\_\_\_\_\_  
Authorized Representative's Title

\_\_\_\_\_  
Date

«PolNumber»  
\_\_\_\_\_  
Policy Number

Return the original form to us at the address below no later than «EndField1».

We recommend that you keep a copy of this notice for your records.

«ProcessAddress»



**COVERAGE OF AND CAP ON LOSSES FOR “CERTIFIED ACTS OF TERRORISM”**

In consideration of the payment of \$«TerrorismAmount» premium, it is agreed as follows:

1. Section II. DEFINITIONS is amended by the addition of the following new term:  
  
 “Certified Act of Terrorism” means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002.  
  
 The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a “Certified Act of Terrorism”:  
  - a. The act resulted in aggregate losses in excess of \$5 million;
  - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure;
  - c. The act resulted in damage within the United States, or outside of the United State in the case of an air carrier or vessel in the premises of a United States mission; and
  - d. The act is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
2. This Policy provides coverage for losses arising from “Certified Acts of Terrorism” subject to all other terms and conditions of this policy.
3. Under the federal Terrorism Risk Insurance Act of 2002, any losses caused by “Certified Acts of Terrorism” will be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.
4. With respect to any one or more “Certified Acts of Terrorism”, The Insurer will not pay any amounts for which the Insurer is not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause in such law which results in a cap on the Insurer’s liability for payments for terrorism losses.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown above.

By Authorized Representative \_\_\_\_\_  
(No signature is required if this endorsement is issued with the Policy or if it is effective on the Policy Effective Date)



## CANCELLATION/NON-RENEWAL ENDORSEMENT-ARKANSAS

Wherever used in this endorsement: 1) Insurer means “we”, “us”, “our” or the “Company” as those terms are defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) “Insured(s)” means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provision(s) in the policy are deleted in their entirety and replaced with the following:

### CANCELLATION AND NON-RENEWAL

#### A. CANCELLATION

1. The Named Insured may cancel the policy at any time. To do so, the Named Insured must return the policy to the Insurer or any of its authorized representatives, indicating the effective date of cancellation; or provide a written notice to the Insurer, stating when the cancellation is to be effective.
2. If the policy has been in effect for sixty (60) days or less and is not a renewal the Insurer may cancel the policy for any reason by mailing or delivering written notice to the Named Insured, at the last mailing address known to the Insurer, at least:
  - a. ten (10) days before the effective date of cancellation, if the Insurer cancels for nonpayment of premium; or
  - b. twenty (20) days before the effective date of cancellation, if the Insurer cancels for any other reason.
3. If the policy has been in effect for more than sixty (60) days or if it is a renewal the Insurer may not cancel the policy unless such cancellation is based on one or more of the following reasons:
  - a. Nonpayment of premium;
  - b. Fraud or material misrepresentation made by or with the knowledge of the Named Insured in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
  - c. The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
  - d. Violation of any local fire, health, safety, building, or construction regulation or ordinances with respect to any insured property or the occupancy of the property, which substantially increases any hazard insured against under the policy;
  - e. Nonpayment of membership dues in those cases where the bylaws, agreements, or other legal instruments of the Insurer issuing the policy require payment as a condition of the issuance and maintenance of the policy; or
  - f. A material violation of a material provision of the policy.

The Insurer will mail or deliver written notice to the Named Insured, at the last mailing address known to the Insurer, at least:

- i. ten (10) days prior to the effective date of cancellation, if the Insurer cancels for the reason set forth in subsection 3.a.; or
- ii. twenty (20) days prior to the effective date of cancellation, if the Insurer cancels for any reason set forth in subsections 3.b. through 3.f.

Loss experience developed during the policy term does not constitute a basis for mid-term cancellation after the policy has been in effect more than sixty (60) days.

4. The notice will state the actual reason for the cancellation.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.



6. If notice is mailed, proof of mailing will be sufficient proof of notice.

**B. NON-RENEWAL**

1. Except in the case of nonpayment of premium, the Insurer will renew the policy unless a written notice of non-renewal is mailed to the Named Insured, at the last mailing address known to the Insurer, at least sixty (60) days prior to the expiration date of the policy or, for a policy for a term longer than one (1) year and not having a fixed expiration date, sixty (60) days prior to the anniversary date.
2. The notice of non-renewal will state the actual reason for non-renewal.
3. Proof of mailing will be sufficient proof of notice.

**C. CONDITIONAL RENEWAL**

1. When the Insurer revises its rates or rules and the revision results in a premium increase equal to or greater than twenty-five percent (25%) on any renewal policy issued for a term of twelve (12) months or less, the Insurer will mail or deliver to the Named Insured's agent not less than sixty (60) days prior to the effective date of renewal, and to the Named Insured not less than thirty (30) days prior to the effective date of renewal, notice specifically stating the Insurer's intention to increase the premium by an amount equal to or greater than twenty-five percent (25%).
2. The notice will be mailed or delivered to the Named Insured, at the last mailing address known to the Insurer. The notice will also be mailed or delivered to the Named Insured's agent.
3. If notice is mailed, proof of mailing will be sufficient proof of notice.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



AMENDATORY ENDORSEMENT - ARKANSAS

- 1. In consideration of the premium paid, it is agreed that Section VII. EXTENDED REPORTING PERIOD is amended to add the following new paragraphs:

If this Policy is canceled or non-renewed by either the Insurer or the Insured, the Insured shall be provided, at no additional charge, an extension of this Policy for a period of 60 days immediately following the end of the Policy Period in which to report Claims first made during such automatic Extended Reporting Period, provided such reporting is done in accordance with paragraph VI 1 and 2, and provided further that such Claim or circumstance must arise out of a Wrongful Employment Practice committed before the earlier of the end of the Policy Period or the effective date of any Takeover.

This period shall be referred to as the automatic Extended Reporting Period.

- 2. In consideration of the premium paid, it is agreed that paragraph 2. Payment of Extended Reported Premium of Section VII. EXTENDED REPORTING PERIOD is deleted in its entirety and replaced as follows:

- 2. Payment of Extended Reported Premium

The right to purchase the optional Extended Reporting Period shall end unless the Insurer receives written notice of the Named Insured's election to purchase the optional Extended Reporting Period and full payment of the premium for such period within 60 days after the end of the Policy Period.

- 3. In consideration of the premium paid, it is agreed that paragraph 4. No Separate Limit of Section VII. EXTENDED REPORTING PERIOD is deleted in its entirety and replaced as follows:

- 4. Limit of Liability for the automatic and optional Extended Reporting Periods

There is no separate or additional Limit of Liability for the automatic Extended Reporting Period.

The Limit of Liability for the optional Extended Reporting Period will be the Limit of Liability that remains on the effective date of termination of coverage or fifty percent (50%) of the Aggregate Limit of Liability at inception of the last Policy Period, whichever is greater.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)



**DISCLOSURE STATEMENT - ARKANSAS**

On behalf of the Insureds, I hereby acknowledge and understand that as provided by the Policy: (1) **Defense Costs** are subject to the retention shown in the Declarations and (2) **Defense Costs**, which are part of and not in addition to the Limit of Liability shown in the Declarations, shall reduce the Limit of Liability.

\_\_\_\_\_  
Authorized Officer of Insured Corporation

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
(No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)

THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. CLAIMS MUST BE REPORTED TO THE COMPANY IN ACCORDANCE WITH SECTION VI. DEFENSE COSTS ARE WITHIN THE LIMITS OF LIABILITY.

PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

Terms in bold face type have the special meaning. See the definitions sections of this Policy.

The Insurer and the **Insureds** agree as follows, in consideration of the payment of the premium and in reliance upon all statements made in the **Application** furnished to the Insurer designated in the Declarations, a stock insurance corporation, hereafter called the "Insurer."

## I. INSURING AGREEMENT

The Insurer shall pay on behalf of the **Insureds** that **Loss** resulting from any **Claim** first made against the **Insureds** during the **Policy Period** or the Extended Reporting Period, if applicable, by an **Employee** or an applicant for employment for a **Wrongful Employment Practice** provided that such **Claim** is reported to the Insurer in accordance with Section VI.

## II. DEFINITIONS

**Application** means all signed applications, any attachments to such applications, other materials submitted therewith or incorporated therein, and any other documents submitted in connection with the underwriting of this Policy by the Insurer, or any other policy underwritten by the Insurer or its affiliates of which this Policy is a direct or indirect renewal or replacement.

**Claim** means:

1. a written demand for monetary or non-monetary relief;
2. a civil proceeding in a court of law or equity or an alternative dispute resolution process seeking monetary or non-monetary relief; or
3. an administrative or regulatory proceeding including an investigation by a regulatory or administrative agency, such as the Equal Employment Opportunity Commission or its state or local equivalent, against any **Insured** for a **Wrongful Employment Practice** and any appeal from such **Claim**.

**Claim** also includes a written request received by the **Insured Entity** to toll or waive a statute of limitations in connection with a **Potential Claim**.

However, **Claim** does not include any:

- a. labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement,
- b. audit conducted by the Office of Federal Contract Compliance Programs unless a Notice of Violation or Order to Show Cause or written demand for monetary relief or injunctive relief has been issued.

A **Claim** is deemed made as set forth in Section VI, **REPORTING/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE**, paragraph 3, **When a Claim is Deemed Made**.

**Defense Costs** means reasonable and necessary fees, costs and expenses, consented to by the Insurer and incurred by the **Insureds** in the investigation, adjustment, defense or appeal of any covered **Claim**, and includes premium for appeal bonds, attachment bonds or similar bonds arising out of a covered judgment. The Insurer has no obligation to provide such bonds. **Defense Costs** shall not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers, partners and employees of the **Insured Entity**.

**Domestic Partner** means any person qualifying as such under any federal, state or local laws or under the **Insured Entity's** employee benefit plans.

**Employees** mean all past, present or future full-time, part-time, seasonal and temporary employees, including any volunteers, of the **Insured Entity** and employees leased to the **Insured Entity**. **Employee** also includes any natural person who is contracted to perform work for the **Insured Entity** as an independent contractor, but only if:

1. such independent contractor has a written contract with the **Insured Entity**, entered into prior to the alleged **Wrongful Employment Practice**, designating him or her as an independent contractor, and under which the the **Insured Entity** is obligated to provide employment practices liability insurance or to indemnify for any **Wrongful Employment Practice**; or
2. the **Insured Entity** is obligated pursuant to any applicable law or regulation to provide indemnification to such independent contractor for **Wrongful Employment Practices**.

**Employment Related Benefits** means perquisites, fringe benefits, deferred compensation or payments (including insurance premiums) in connection with an employee benefit plan, **Stock Benefits** and any other payment to or for the benefit of an employee arising out of the employment relationship. **Employment Related Benefits** shall not include salary, wages, commissions, or non-deferred cash incentive compensation.

**ERISA or any Similar Act** means the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law of the United States, Canada or their states, territories or provinces or any other jurisdiction anywhere in the world.

**Executive** means any past, present or future:

1. duly elected or appointed director, officer, trustee or governor of a corporation, management committee member of a joint venture or **Manager** of a limited liability company, general partner of an entity structured as a limited partnership, or partnership manager of a general partnership; or
2. official in an **Insured Entity** organized and operated in a **Foreign Jurisdiction** who is holding a position that is equivalent to an executive position listed in 1.

**Foreign Jurisdiction** means any jurisdiction, other than the United States or any of its territories or possessions.

**Insured** means any **Insured Person** or the **Insured Entity**.

**Insured Entity** means the **Named Insured** and any **Subsidiary** including any such entity as a debtor in possession under United States bankruptcy law or an equivalent status under the law of any other country.

**Insured Person** means any **Executive** or **Employee** of the **Insured Entity**.

**Interrelated Wrongful Employment Practices** means any **Wrongful Employment Practices** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.

**Loss** means damages (including back pay and front pay), settlements, judgments (including any award of pre-judgment and post-judgment interest) and **Defense Costs** for which any **Insured** is legally obligated to pay on account of a covered **Claim**. **Loss** shall include liquidated damages awarded pursuant to the Age Discrimination in Employment Act or the Equal Pay Act, punitive, exemplary or multiple damages, if insurable, to the fullest extent permitted by any applicable law. Where the **Insureds** reasonably determine that punitive, exemplary or multiple damages are insurable under any applicable law, the Insurer shall not challenge that determination of insurability.

However, **Loss** does not include:

1. civil or criminal fines, penalties, taxes, sanctions or forfeitures, imposed on an **Insured** whether pursuant to law, statute, regulation or court rule;
2. compensation earned by the claimant in the course of employment but unpaid by the **Insured**, including salary, wages, commissions, bonus or incentive compensation;
3. any amounts for which an **Insured** is liable due to breach of any written contract of employment;
4. amounts representing medical or insurance premiums or benefit claim payments;
5. except as provided above with respect to punitive, exemplary, liquidated or the multiple portion of any multiplied damages, matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed;
6. future salary, wages or commissions of a claimant who is hired, promoted or reinstated to employment pursuant to a settlement of, order in, or other resolution of any **Claim**; or

## 7. Employment Related Benefits.

**Management Control** means:

1. owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of: the Board of Directors of a corporation; the management committee members of a joint venture; or the members of the management board of a limited liability company, general partner of an entity structured as a limited partnership, or partnership manager of a general partnership; or
2. having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an **Insured Entity**, to elect, appoint or designate a majority of: the Board of Directors of a corporation; the management committee of a joint venture; or the management board of a limited liability company, general partner of an entity structured as a limited partnership, or partnership manager of a general partnership.

**Manager** means any natural person manager, member of the Board of Managers or equivalent executive of an **Insured Entity** that is a limited liability company.

**Named Insured** means the company named in Item 1 of the Declarations, including such company as a debtor in possession under United States bankruptcy law or an equivalent status under the law of any other country.

**Policy Period** means the period from the effective date of this Policy to the Policy expiration date stated in Item 2 of the Declarations, or its earlier cancellation date.

**Pollutants** means any substance exhibiting hazardous characteristics as is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state, local or foreign counterpart. **Pollutants** also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products or any noise.

**Potential Claim** means an allegation of a **Wrongful Employment Practice** which does not constitute a **Claim** but may reasonably give rise to a future **Claim** provided that the allegation is lodged by the potential claimant with any member of the in-house general counsel, risk management or human resources departments of any **Insured Entity**.

**Stock Benefits** means

1. any offering plan or agreement between the **Insured Entity** and any employee which grants stock, stock warrants or stock options of the **Insured Entity** to any such employee, including but not limited to grants of stock options, restricted stock, stock warrants, performance stock shares, or any other compensation or incentive granted in the form of securities of the **Insured Entity**; or
2. any payment or instrument the amount or value of which is derived from the value of securities of the **Insured Entity**, including but not limited to stock appreciation rights or phantom stock plans or arrangements.

**Stock Benefits** shall not include employee stock ownership plans or employee stock purchase plans.

**Subsidiary** means any entity in which the **Named Insured** has **Management Control**, directly or indirectly through one or more other **Subsidiaries**,

1. on or before the effective date of this Policy; or
2. after the effective date of this Policy by reason of being created or acquired by the **Insured Entity** after such date, if and to the extent coverage with respect to the entity is afforded pursuant to Section XV.1.

**Takeover** means:

1. the acquisition by another entity or person, or group of entities or persons acting in concert, of:
  - a. the ownership or control of voting stock of the **Named Insured** resulting in such entity, person or group owning or controlling more than 50% of the voting stock of the **Named Insured**, or
  - b. assets of the **Named Insured** resulting in such entity, person or group owning more than 50% of the total consolidated assets of the **Named Insured** as of the date of the **Named Insured's** most recent audited consolidated financial statement prior to such acquisition;

2. the merger of the **Named Insured** into another entity such that the **Named Insured** is not the surviving entity; or
3. the consolidation of the **Named Insured** with another entity.

**Wrongful Employment Practice** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed or attempted by the **Insured Persons** in their capacity as such or by the **Insured Entity** constituting or related to:

1. wrongful dismissal or discharge or termination of employment, whether actual or constructive;
2. employment-related misrepresentation;
3. violation of any federal, state or local laws (whether common-law or statutory) concerning employment or discrimination in employment, including but not limited to the Americans with Disabilities Act of 1992, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866 and the Sarbanes-Oxley Act of 2002;
4. sexual harassment or other unlawful harassment;
5. wrongful deprivation of career opportunity, failure to grant tenure, demotion, or failure to employ or promote;
6. wrongful discipline;
7. retaliation.
8. negligent evaluation of employees;
9. failure to adopt adequate workplace or employment policies and procedures;
10. employment-related libel or slander, humiliation or invasion of privacy; or
11. with respect to any of the foregoing items (1) through (10) of this definition: negligent hiring, retention, training or supervision, failure to provide or enforce adequate or consistent corporate policies and procedures, or violation of an individual's civil rights;
12. Any other employment related workplace torts.

### III. EXCLUSIONS

The Insurer shall not be liable to pay any **Loss** under this Policy in connection with any **Claim** made against the **Insureds**:

#### 1. **Bodily Injury/Property Damage**

for any actual or alleged bodily injury (including death), sickness, disease of any person, or damage to or destruction of any tangible property including loss of use except that this exclusion shall not apply to allegations of emotional distress, humiliation or mental anguish;

#### 2. **Violation of Law**

for any actual or alleged violation of:

- a. (i) **ERISA or any Similar Act**, (ii) the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, or (iii) any other federal, state or local statutory law or common law anywhere in the world governing any employee benefit program, policy, plan or arrangement of any type, including but not limited to laws governing retirement or pension benefit programs, welfare plans, insurance plan, employee stock option ownership or employee stock purchase plans or deferred compensation programs;
- b. any law governing workers' compensation, unemployment insurance, social security, disability benefits or any other similar federal, state or local statutory or regulatory law or common law anywhere in the world;
- c. the Occupational Safety and Health Act of 1970 (OSHA), as amended, or any other federal, state or local statutory or regulatory law or common law anywhere in the world governing workplace safety and health;
- d. the Fair Labor Standards Act (except the Equal Pay Act), as amended, or any other federal, state or local statutory law or common law anywhere in the world governing wage, hour and payroll policies;
- e. the Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988), as amended, or any other federal, state or local statutory or regulatory law or common law anywhere

- in the world governing an employer's obligation to notify or bargain with others in advance of any facility closing or mass layoff.
- f. the National Labor Relations Act, as amended, or any other federal, state or local statutory or regulatory law or common law anywhere in the world governing employees' rights and the employers duties with respect to unions, bargaining, strikes, boycotts, picketing, lockouts or collective activities.

However, this exclusion shall not apply to any **Claim** alleging retaliation or wrongful dismissal or discharge or termination of employment whether actual or constructive, because of a claimant's exercise of a right pursuant to any such laws;

### 3. **Prior Notice**

based upon or arising out of:

- a. any **Wrongful Employment Practice** or any matter, fact, circumstance, situation, transaction, or event, notice of which was given by an **Insured** under any policy of which this Policy is a direct renewal or replacement ; or
- b. any other **Wrongful Employment Practice** whenever occurring, which, together with a **Wrongful Employment Practice** described in a. above, would constitute **Interrelated Wrongful Employment Practices**;

### 4. **Prior or Pending**

based upon or arising out of or constituting:

- a. civil proceeding in a court of law or equity or arbitration;
- b. administrative or regulatory proceeding including an investigation by a regulatory or administrative agency;
- c. any notice of violation or order to show cause or written demand for monetary relief or injunctive relief resulting from an audit conducted by the Office of Federal Contract Compliance Programs; against any of the **Insureds** which was pending on or prior to the Prior or Pending Date set forth in Item 8 of the Declarations or any fact, circumstance, situation, transaction or event underlying or alleged in such demand, proceeding, investigation, order or arbitration;

### 5. **Pollution**

based upon or arising out of: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants**; any request, direction or order that any of the **Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person resulting from any of the aforementioned matters. However, this exclusion shall not apply to any **Claim** alleging retaliation or wrongful dismissal or discharge or termination of employment whether actual or constructive, because of a claimant's exercise of a right pursuant to any such laws;

### 6. **Assumed Liability**

based upon or arising out of the **Insured's** assumption of the liability of others in any oral or written contract or agreement, unless such liability would have attached to an **Insured** in the absence of such agreement;

### 7. **Prior Wrongful Employment Practices of Subsidiaries**

based upon or arising out of:

- a. any **Wrongful Employment Practice** by **Insured Persons** of any **Subsidiary** or by such **Subsidiary**, occurring before the date such entity became a **Subsidiary**, or

- b. any other **Wrongful Employment Practice** whenever occurring, which, together with a **Wrongful Act** described in a. above, would constitute **Interrelated Wrongful Employment Practices**.
8. **Non-Monetary Relief**

The Insurer shall not be liable to pay that portion of **Loss**, other than **Defense Costs**, which constitutes:

- a. the cost of any non-monetary relief, including without limitation any costs associated with compliance with any injunctive relief of any kind or nature imposed by any judgment or settlement;
- b. the costs associated with providing any reasonable accommodations required by, made as a result of, or to conform with the requirements of the Americans With Disabilities Act and any amendments thereto or any similar federal, state or local statute, regulation, or common laws.

#### IV. LIMITS OF LIABILITY/RETENTION

1. **Aggregate Limit of Liability**

The Limit of Liability stated in Item 6 of the Declarations is the aggregate limit of the Insurer's liability for all **Loss** under this Policy arising out of all **Claims** first made against all **Insureds** during the **Policy Period** and the Extended Reporting Period (if applicable). The Limit of Liability for the Extended Reporting Period shall be part of and not in addition to the Limit of Liability for the **Policy Period**. Further, a **Claim** which is made subsequent to both the **Policy Period** and the Extended Reporting Period (if applicable) and which pursuant to Section VI. is considered made during the **Policy Period** or Extended Reporting Period shall also be subject to the one aggregate Limit of Liability stated in Item 6 of the Declarations.

**Defense Costs** are part of **Loss** and as such are subject to the Limit of Liability for **Loss**.

2. **Retention**

The Insurer shall only be liable for the amount of **Loss** arising from each **Claim** which is in excess of the applicable Retention amount stated in Item 7 of the Declarations. The Retention amount shall apply to **Loss** arising from each **Claim** and from all **Claims** alleging the same **Wrongful Employment Practice** or **Interrelated Wrongful Employment Practices**. The Retention shall be uninsured. The Insurer will have no obligation to pay all or any portion of any applicable retention.

#### V. SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS

1. **Settlement/Insurer's Consent**

The **Insureds** shall not admit or assume any liability, incur any **Defense Costs**, consent to any judgment, agree to any settlement or make any settlement offer without the Insurer's prior written consent, such consent not to be unreasonably withheld. The Insurer shall not be liable for any **Loss** incurred by an **Insured** to the extent the **Loss** results from such **Insured** admitting liability, incurring any **Defense Costs**, consenting to any judgment, agreeing to any settlement or making any settlement offer without the Insurer's prior written consent. The **Insureds** agree that they shall not knowingly take any action which increases the Insurer's exposure for **Loss** under this Policy. Should the **Insured** be unwilling to settle a **Claim** that the claimant and the Insurer are willing to settle, the Insurer shall continue to be liable for any **Loss** in connection with such **Claim**, but not in excess of the amount for which the **Claim** could have been settled, plus all **Defense Costs** incurred up to the date of the **Insured's** refusal to consent to such settlement.

Notwithstanding the above, if the **Insureds** are able to settle all **Claims** which are subject to a single Retention for an aggregate amount, including **Defense Costs**, not exceeding such Retention, the Insurer's consent shall not be required for the settlement of such **Claims**.

2. **Defense of Claims**

The **Insureds** and not the Insurer have the duty to defend any **Claim**. The **Insureds** may select defense counsel but such selection is subject to the Insurer's written consent, and such consent will not be unreasonably withheld. The Insurer shall be entitled to associate in the defense and the negotiation of any settlement of any **Claim** that involves or appears reasonably likely to involve the Insurer.

### 3. **Allocation of Loss**

If a **Claim** made against the **Insureds** includes both covered and uncovered matters or if a **Claim** is made against **Insureds** who are extended coverage therefor and others who are not extended coverage therefor, the **Insureds** agree that there must be an allocation between insured and uninsured loss. The **Insureds** and the Insurer shall exert their best efforts to agree upon a fair and proper allocation between insured and uninsured loss.

### 4. **Conditions for Advancement of Defense Costs**

The Insurer, on behalf of the **Insureds**, shall advance **Defense Costs** on a current basis but in no event later than ninety (90) days after the receipt by the Insurer of itemized defense bills in excess of the applicable Retention. However, advancement of **Defense Costs** shall be subject to the following conditions:

- a. if the **Insureds** and the Insurer agree on an allocation of insured and uninsured **Defense Costs**, the Insurer shall advance the amount of insured **Defense Costs**;
- b. if the **Insureds** and the Insurer cannot, after exerting their best efforts, agree on an allocation of insured and uninsured **Defense Costs**, the Insurer then shall advance the percentage of **Defense Costs** which the Insurer states to be fair and proper until a different allocation is agreed upon or determined pursuant to the provisions of this Policy and applicable law;
- c. the **Insureds** shall provide a written undertaking satisfactory to the Insurer to repay the Insurer any **Defense Costs** finally established not to be insured; and
- d. any allocation or advancement of **Defense Costs** shall not apply to or create any presumption with respect to the allocation of other **Loss**.

## VI. **REPORTING/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE**

### 1. **Notice of Claim**

The **Insureds** shall, as a condition precedent to the obligations of the Insurer under this Policy, give written notice to the Insurer of a **Claim** as soon as practicable after any the chair of the board, president, chief executive officer, chief financial officer, chief operating officer, partner, in-house general counsel, risk manager or director of human resources of any **Insured Entity** first becomes aware of such **Claim**, but in no event later than thirty (30) days after the end of the **Policy Period** or the Extended Reporting Period, if applicable.

### 2. **Notice of Potential Claim**

If during the **Policy Period** or the Extended Reporting Period, if applicable, any past, present or future chair of the board, president, chief executive officer, chief financial officer, chief operating officer, partner, in-house general counsel, risk manager or director of human resources of any **Insured Entity** first becomes aware of a **Potential Claim**, and during such period an **Insured** gives written notice to the Insurer of:

- a. the names of any potential claimants and a description of the **Wrongful Employment Practice** which forms the basis of their **Potential Claim**,
- b. the identity of the specific **Insureds** allegedly responsible for such specific **Wrongful Employment Practice**,
- c. the consequences which have resulted or may result from such specific **Wrongful Employment Practice**,
- d. the nature of the potential monetary damages or non-monetary relief which may be sought in consequence of such specific **Wrongful Employment Practice**, and
- e. the circumstances by which **Insureds** first became aware of such specific **Wrongful Employment Practice**,

then any **Claim** otherwise covered pursuant to this Policy which is subsequently made and which arises out of such **Wrongful Employment Practice** shall be deemed to have been first made against the **Insureds** and reported to the Insurer by the **Insureds** at the time such written notice was received by the Insurer. No coverage is provided for fees and expenses incurred prior to the time such notice results in a **Claim**.

### 3. **When a Claim is Deemed Made**

Except as provided in 2 above, a **Claim** shall be deemed made:

- a. in the case of a written demand for monetary or non-monetary relief, on the earlier of the **Insured's** or Insurer's receipt of notice of such demand;
- b. in the case of a civil proceeding in a court of law or equity or arbitration, on the date of service upon or other receipt by any **Insured** of a complaint against the **Insured** in such proceeding or arbitration;
- c. in the case of an administrative or regulatory proceeding including an investigation by a regulatory or administrative agency, on the earliest of the date of service upon or other receipt by the **Insured** of a written notice or subpoena from the regulatory or investigating authority.

### 4. **Interrelated Claims**

More than one **Claim** involving the same **Wrongful Employment Practice** or **Interrelated Wrongful Employment Practices** shall be considered as one **Claim** which shall be deemed to have been first made on the earlier of:

- a. the date on which the earliest such **Claim** was first made, or
- b. the first date valid notice was given by the **Insureds** to the Insurer under this Policy of any **Wrongful Employment Practice** or under any prior policy of any **Wrongful Employment Practice** or any fact, circumstance, situation, event or transaction which underlies any such **Claim**.

### 5. **To Whom Notices are Sent**

The **Insureds** shall give written notice to the Insurer under this Policy as specified in Item 4 of the Declarations. If mailed, the date the Insurer receives such notice shall constitute the date such notice was given. Proof of mailing shall be sufficient proof of notice.

## **VII. EXTENDED REPORTING PERIOD**

### 1. **Optional Extended Reporting Period**

If the Insurer or the **Insured** terminates or non-renews this Policy, the **Insured** shall have the right to purchase, upon payment of an additional premium determined as described in Item 5b of the Declarations, an extension of this Policy in which to report **Claims** first made during such Extended Reporting Period, provided such reporting is done in accordance with paragraph VI 1 and 2, and provided further that such **Claim** or circumstance must arise out of a **Wrongful Employment Practice** committed before the earlier of the end of the **Policy Period** or the effective date of any **Takeover**.

This period shall be referred to as the Extended Reporting Period.

### 2. **Payment of Extended Reported Premium**

As a condition precedent to the right to purchase the Extended Reporting Period, the total premium for this Policy must have been paid. The right to purchase the Extended Reporting Period shall end unless the Insurer receives written notice of the **Named Insured's** election to purchase the Extended Reporting Period and full payment of the premium for such period within 30 days after the end of the **Policy Period**.

### 3. **Non-Cancelable/Premium Fully Earned**

If the Extended Reporting Period is purchased, it is non-cancelable and the entire premium shall be deemed fully earned at its commencement without any obligation by the Insurer to return any portion thereof.

4. **No Separate Limit**

There is no separate or additional Limit of Liability for the Extended Reporting Period.

### VIII. CANCELLATION

1. **Insurer's Right to Cancel**

The Insurer shall not cancel this Policy except for non-payment of any premium when due. The Insurer shall provide to the **Named Insured** written notice of such cancellation stating when, not less than 15 days thereafter, such cancellation shall be effective, except that non-payment of premium due at inception of this Policy will result in the policy being cancelled effective as of the inception date.

2. **Named Insured's Right to Cancel**

The **Insureds** grant the exclusive authority to cancel this Policy to the **Named Insured**. The **Named Insured** may cancel this Policy by providing the Insurer written notice stating when thereafter such cancellation shall be effective. The mailing or delivery of such notice shall be sufficient. The unearned premium shall be computed in accordance with customary short rate provisions and premium adjustment may be made at the time cancellation is effected or as soon as practicable.

### IX. TERRITORY

Coverage shall apply to **Claims** made and **Wrongful Employment Practices** committed worldwide.

### X. APPLICATION

The **Insureds** represent and acknowledge that the statements contained in the **Application** and any materials submitted or required to be submitted therewith (which shall be maintained on file by the Insurer and be deemed attached to and incorporated into this Policy as if physically attached), are true and:

- (i) are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy; and
- (ii) shall be deemed material to the acceptance of this risk or the hazard assumed by the Insurer under this Policy.

This Policy is issued in reliance upon the truth of such representations.

In the event the statements, representations or information in the **Application**, including materials submitted or required to be submitted therewith, contain any misrepresentation or omission, this Policy shall be void from inception as to the **Insured** who knew as of the effective date of the Policy, the facts that were misrepresented or omitted, whether or not such person knew of such untruthful disclosure in the **Application**. With respect to this paragraph,

- a. the knowledge of any person who signed the **Application** shall be imputed to all other **Insured Persons**;
- b. except as set forth in c. below, the knowledge of any person who did not sign the **Application** shall not be imputed to any other **Insureds**; and
- c. the knowledge of any past, present or future chair of the board, president, chief executive officer, chief financial officer, chief operating officer, the in-house general counsel or the head of the human resources department shall be imputed to the **Insured Entity** if such person knew of the misrepresentation or omission as of effective date of the Policy.

### XI. OTHER INSURANCE

If any **Loss** resulting from any **Claim** is insured under any other insurance, this Policy shall apply only as excess over any other valid and collectible insurance unless such other insurance is written only as specific excess insurance over the limit of liability provided by this Policy. This Policy shall specifically be excess of any other

valid and collectible insurance pursuant to which any other insurer has a duty to defend a **Claim** for which this Policy may be obligated to pay **Loss**.

## XII. ESTATES, LEGAL REPRESENTATIVES AND SPOUSES

The estates, heirs, legal representatives, assigns, spouses and any **Domestic Partner** of **Insured Persons** shall be considered **Insureds** under this Policy; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns, spouses and **Domestic Partners** only for a claim arising solely out of their status as such and, in the case of a spouse or **Domestic Partner**, where such claim seeks damages from marital community property, jointly held property or property transferred from the **Insured Person** to the spouse or **Domestic Partner**. No coverage is provided for any act, error or omission of an estate, heir, legal representative, assign, spouse or **Domestic Partner**. All terms and conditions of this Policy, including without limitation the Retention, applicable to **Loss** incurred by the **Insured Person** shall also apply to **Loss** incurred by such estates, heirs, legal representatives, assigns, spouses and **Domestic Partners**.

## XIII. NO ACTION AGAINST INSURER

1. No action shall be taken against the Insurer unless, as a condition precedent, there shall have been full compliance with all the provisions of this Policy nor until the amount of the **Insureds'** obligation to pay shall have been finally determined either by final and nonappealable judgment against the **Insureds** after trial or by written agreement of the **Insureds**, the claimant and the Insurer.
2. No person or organization shall have any right under this Policy to join the Insurer as a party to any **Claim** against the **Insureds** to determine the **Insureds'** liability, nor shall the Insurer be impleaded by the **Insureds** or their legal representatives in any such **Claim**.

## XIV. ASSIGNMENT OF INTEREST

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed to this Policy.

## XV. COVERAGE FOR NEW SUBSIDIARIES

1. If, after the effective date of this Policy, the **Insured Entity** first has **Management Control** of any entity, then such entity and any subsidiaries, directors, officers, trustees, employees, members or general partners of such entity who otherwise would thereby become an **Insured** shall be covered under this Policy, subject to its terms and conditions, provided that if, as a result of such entity and its subsidiaries becoming **Insureds**, the total number of all **Employees** increases by more than 10% over the number of employees of the **Insured Entities** as of the inception date of this Policy, then the Insurer, at its sole option upon submission of such information as the Insurer may require, and payment of any additional premium or amendment of the provisions of the Policy, may agree to provide coverage for such subsidiaries, directors, partners, trustees, officers or employees.
2. There shall be no coverage under this Policy for any **Wrongful Employment Practice** by such entity, or by any persons or entities considered to be **Insureds** pursuant to Section XV.1 above, where such **Wrongful Employment Practice** occurred in whole or in part before the effective date of such acquisition or merger or for any **Wrongful Employment Practice** occurring on or after such date which, together with any **Wrongful Employment Practices** occurring before such date, would be considered **Interrelated Wrongful Employment Practices**.

## XVI. CHANGE OF STATUS OF INSUREDS

### 1. Takeover of the Named Insured

In the event of a **Takeover** of the **Named Insured**, coverage under this Policy shall continue until this Policy is otherwise terminated, but only with respect to **Claims** for **Wrongful Employment Practices** occurring before the effective date of the **Takeover**, unless (i) the Insurer is notified in writing of the **Takeover** prior to the **Takeover** effective date and agrees in writing to provide coverage for **Wrongful Employment Practices** occurring on or after such effective date, and (ii) the **Named Insured** accepts

any special terms, conditions, exclusions or additional premium charge required by the Insurer. This Policy may not be canceled after the effective time of the **Takeover** and the entire premium for this Policy shall be deemed earned as of such time. The **Named Insured** shall also have the right to an offer by the Insurer of an Extended Reporting Period described in Section VII of this Policy.

## 2. Cessation or Takeover of Subsidiary

If any organization ceases to be a **Subsidiary** there shall be no coverage under this Policy for any **Wrongful Employment Practice** by such organization or any **Insured Person** of such organization occurring after the date such organization ceased to be a **Subsidiary**.

In the event of a **Takeover** of a **Subsidiary**, coverage under this Policy shall continue until this Policy is otherwise terminated, but only with respect to **Claims** for **Wrongful Employment Practices** occurring before the effective date of the **Takeover**, unless (i) the Insurer is notified in writing of the **Takeover** prior to the **Takeover** effective date and agrees in writing to provide coverage for **Wrongful Employment Practices** occurring on or after such effective date, and (ii) the **Insured Entity** accepts any special terms, conditions, exclusions or additional premium charge required by the Insurer.

## XVII. ASSISTANCE AND COOPERATION

Each **Insured** shall give the Insurer full cooperation and shall furnish the Insurer with copies of reports, investigations, pleadings, and all related papers, and such other information, assistance and cooperation as the Insurer may reasonably request. The **Insureds** shall do nothing which in any way increases the Insurer's exposure under this Policy or in any way prejudices the Insurer's potential or actual rights of recovery.

## XVIII. SUBROGATION AND RECOVERY

To the extent it pays any **Loss**, the Insurer shall be subrogated to all the **Insureds'** rights of recovery therefore. The **Insureds** shall execute all papers necessary to secure such rights, including executing any documents necessary to enable the Insurer effectively to bring suit in their name, and shall take no action which impairs the Insurer's rights of subrogation or recovery.

## XIX. NOTICES TO THE NAMED INSURED

Any notices to the **Named Insured** under this Policy shall be provided to the **Named Insured** at the last known address and to its insurance agent or broker. If properly mailed, the date of mailing shall constitute the date such notice was given.

## XX. CHANGES

Notice to or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right under the provisions of this Policy, nor shall the provisions be waived or changed except by written endorsement issued to form a part of this Policy.

## XXI. COMPANY AUTHORIZATION

The **Insureds** agree that the **Named Insured** will act on behalf of the **Insureds** with respect to giving of all notice to the Insurer (except notices provided in Section VI.1 or 2), the receipt of notices from the Insurer, the payment of the premiums, the receipt of any return premiums that may become due under this Policy, and the agreement to and acceptance of endorsements.

## XXII. ENTIRE AGREEMENT

The **Insureds** agree that this Policy, including the **Application** and any materials submitted or required to be submitted therewith, and any written endorsement attached, constitute the entire contract existing between them and the Insurer or any of its agents relating to this insurance.

**XXIII. BANKRUPTCY**

Bankruptcy or insolvency of any **Insured Entity** or any **Insured Person** shall not relieve the Insurer of any of its obligations hereunder.

**XXIV. ALTERNATIVE DISPUTE RESOLUTION PROCESS**

All disputes or differences between the **Insured** and Insurer which may arise under or in connection with this Policy, whether arising before or after termination of this Policy, including any determination of the amount of **Loss**, shall be submitted to the alternative dispute resolution ("**ADR**") process set forth in this Section.

Either the Insurer or an **Insured** may elect the type of **ADR** process discussed below; provided, however, that such **Insured** shall have the right to reject the Insurer's choice of the type of **ADR** process at any time prior to its commencement, in which case such **Insured's** choice of **ADR** process shall control.

The Insurer and each and every **Insured** agrees that there shall be two choices of **ADR** process: (1) non-binding mediation administered by the American Arbitration Association, in which the Insurer and any such **Insured** shall try in good faith to settle the dispute by mediation under or in accordance with its then-prevailing Commercial Mediation Rules; or (2) arbitration submitted to the American Arbitration Association in accordance with its then-prevailing Commercial Arbitration Rules, in which the arbitration panel shall consist of three disinterested individuals. In either mediation or arbitration, the mediator or arbitrators shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. The mediator or arbitrators shall also give due consideration to the general principles of the law of the state where the **Named Insured** is incorporated in the construction or interpretation of the provisions of this Policy. In the event of arbitration, the decision of the arbitrators shall be final and binding and provided to both parties, and the arbitrators' award shall not include attorney's fees or other costs. In the event of mediation, either party shall have the right to commence a judicial proceeding, provided, however, that no such judicial proceeding shall be commenced until the mediation shall have been terminated and at least 60 days shall have elapsed from the date of the termination of the mediation. In all events, each party shall share equally the expenses of the **ADR** process.

Either choice of **ADR** process may be commenced in New York or Illinois or in the state indicated in the Declarations as the mailing address for the **Named Insured**.

**XXV. HEADINGS**

The descriptions in the headings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

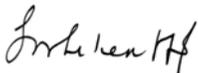
**XXVI. VALUATION**

All premiums, limits, retentions, **Loss** and other amounts under this policy are expressed and payable in United States of America currency. If any judgment, settlement or any part of **Loss** is expressed or calculated in any other currency, payment of such **Loss** due under this Policy will be made in the currency of the United States of America, at the rate of exchange published in The Wall Street Journal on the date the Insurer's obligation to pay such **Loss** is established, or, if not published on that date, on the date of next publication.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be executed by its Chairman and Secretary, but this Policy shall not be binding upon us unless completed by the attachment of the Declarations.

Chairman

Secretary





## AMENDATORY ENDORSEMENT - ARKANSAS

1. In consideration of the premium paid, it is agreed that paragraph 5. Pollution of Section III. **EXCLUSIONS** is deleted in its entirety and replaced as follows:

5. Pollution  
based upon or arising out of: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants**; any request, direction or order that any of the **Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person resulting from any of the aforementioned matters. However, this exclusion shall not apply to (i) any **Claim** alleging retaliation or wrongful dismissal or discharge or termination of employment whether actual or constructive, because of a claimant's exercise of a right pursuant to any such laws; or (ii) damage caused by smoke, vapor, soot or fumes from a hostile fire.

2. In consideration of the premium paid, it is agreed that Section VII. **EXTENDED REPORTING PERIOD** is amended to add the following new paragraphs:

If this Policy is canceled or non-renewed by either the Insurer or the **Insured**, the **Insured** shall be provided, at no additional charge, an extension of this Policy for a period of 60 days immediately following the end of the **Policy Period** in which to report **Claims** first made during such automatic Extended Reporting Period, provided such reporting is done in accordance with paragraph VI 1 and 2, and provided further that such **Claim** or circumstance must arise out of a **Wrongful Employment Practice** committed before the earlier of the end of the **Policy Period** or the effective date of any **Takeover**.

This period shall be referred to as the automatic Extended Reporting Period.

3. In consideration of the premium paid, it is agreed that paragraph 2. Payment of Extended Reported Premium of Section VII. **EXTENDED REPORTING PERIOD** is deleted in its entirety and replaced as follows:

2. Payment of Extended Reported Premium

The right to purchase the optional Extended Reporting Period shall end unless the Insurer receives written notice of the **Named Insured's** election to purchase the optional Extended Reporting Period and full payment of the premium for such period within 60 days after the end of the **Policy Period**.

4. In consideration of the premium paid, it is agreed that paragraph 4. No Separate Limit of Section VII. **EXTENDED REPORTING PERIOD** is deleted in its entirety and replaced as follows:

4. Limit of Liability for the automatic and optional Extended Reporting Periods

There is no separate or additional Limit of Liability for the automatic Extended Reporting Period.

The Limit of Liability for the optional Extended Reporting Period will be the Limit of Liability that remains on the effective date of termination of coverage or fifty percent (50%) of the Aggregate Limit of Liability at inception of the last **Policy Period**, whichever is greater.



5. In consideration of the premium paid, it is agreed that Section XXIV. **ALTERNATIVE DISPUTE RESOLUTION PROCESS** is deleted in its entirety and replaced as follows:

After a dispute or difference between the **Insured** and Insurer arises under or in connection with this Policy, whether arising before or after termination of this Policy, including any determination of the amount of **Loss**, such dispute or difference may be submitted to the alternative dispute resolution (“**ADR**”) process set forth in this Section only if it is mutually agreeable to both the **Insured** and the Insurer.

Either the Insurer or an **Insured** may elect the type of **ADR** process discussed below; provided, however, that such **Insured** shall have the right to reject the Insurer’s choice of the type of **ADR** process at any time prior to its commencement, in which case such **Insured’s** choice of **ADR** process shall control.

The Insurer and each and every **Insured** agrees that there shall be two choices of **ADR** process: (1) non-binding mediation administered by the American Arbitration Association, in which the Insurer and any such **Insured** shall try in good faith to settle the dispute by mediation under or in accordance with its then-prevailing Commercial Mediation Rules; or (2) arbitration submitted to the American Arbitration Association in accordance with its then-prevailing Commercial Arbitration Rules, in which the arbitration panel shall consist of three disinterested individuals. In either mediation or arbitration, the mediator or arbitrators shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. The mediator or arbitrators shall also give due consideration to the general principles of the law of the state where the **Named Insured** is incorporated in the construction or interpretation of the provisions of this Policy. In the event of arbitration, the decision of the arbitrators shall be non-binding and provided to both parties, and the arbitrators’ award shall not include attorney’s fees or other costs. In the event of mediation, either party shall have the right to commence a judicial proceeding, provided, however, that no such judicial proceeding shall be commenced until the mediation shall have been terminated and at least 60 days shall have elapsed from the date of the termination of the mediation. In all events, each party shall share equally the expenses of the **ADR** process.

Either choice of **ADR** process may be commenced in New York or Illinois or in the state indicated in the Declarations as the mailing address for the **Named Insured**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

By Authorized Representative \_\_\_\_\_  
 (No signature is required if issued with the Policy or if it is effective on the Policy Effective Date)

*SERFF Tracking Number:* CNAC-125279581      *State:* Arkansas  
*Filing Company:* Continental Casualty Company      *State Tracking Number:* AR-PC-07-025972  
*Company Tracking Number:* 07-F2171  
*TOI:* 17.0 Other Liability - Claims Made/Occurrence      *Sub-TOI:* 17.0010 Employment Practices Liability  
*Product Name:* Employment Practice Liability Solutions Program #07-2171  
*Project Name/Number:* EPL Solution Program /07-F2171

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: CNAC-125279581 State: Arkansas  
Filing Company: Continental Casualty Company State Tracking Number: AR-PC-07-025972  
Company Tracking Number: 07-F2171  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0010 Employment Practices Liability  
Product Name: Employment Practice Liability Solutions Program #07-2171  
Project Name/Number: EPL Solution Program /07-F2171

## Supporting Document Schedules

**Review Status:**  
**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty 08/31/2007

**Comments:**

**Attachments:**

AR PC TD f.pdf

AR PC FF .pdf

**Review Status:**  
**Satisfied -Name:** Cover Letter 08/31/2007

**Comments:**

**Attachment:**

AR 07-F2171 EPL F cover let.pdf

**Review Status:**  
**Satisfied -Name:** Forms memorandum 08/31/2007

**Comments:**

**Attachment:**

07--2171\_072007\_AR EPL Solutions Forms MEMO.pdf

**Review Status:**  
**Satisfied -Name:** Forms Memorandum 09/28/2007

**Comments:**

**Attachment:**

07-2171\_092007\_AR EPL Solutions Forms MEMO .pdf

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>
	a. Date the filing is received:
	b. Analyst:
	c. Disposition:
	d. Date of disposition of the filing:
	e. Effective date of filing:
	New Business
	Renewal Business
	f. State Filing #:
	g. SERFF Filing #:
	h. Subject Codes

<b>3. Group Name</b>	<b>Group NAIC #</b>
CNA	20443

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Continental Casualty Company	IL	20443	36-2114545	

<b>5. Company Tracking Number</b>	<b>07-F2171</b>
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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 Alonzo 40 Wall Street - 9 <sup>th</sup> Floor	State Filing Analyst	212-440-3478	212.-440-3478	robert.alonzo@cna.com
	New York, NY 10005				

7.	Signature of authorized filer	<i>Robert Alonzo</i>
8.	Please print name of authorized filer	Robert Alonzo

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

<b>9. Type of Insurance (TOI)</b>	Other Liability
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	Professional
<b>11. State Specific Product code(s)</b> (if applicable)[See State Specific Requirements]	
<b>12. Company Program Title</b> (Marketing title)	Employment Practices Liability Solutions
<b>13. Filing Type</b>	<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)
<b>14. Effective Date(s) Requested</b>	New: 10/15/2007                      Renewal: 10/15/2007
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>16. Reference Organization</b> (if applicable)	
<b>17. Reference Organization # &amp; Title</b>	

<b>18. Company's Date of Filing</b>	
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

### Property & Casualty Transmittal Document—

<b>20. This filing transmittal is part of Company Tracking #</b>	07-F2171
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<b>21. Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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On behalf of Continental Casualty Company, we hereby submit for your review and approval our Employment Practices Liability Solutions Program. This program provides coverage for claims by employees against their employers and fellow employees arising out of employment practice disputes (for example: claims that allege discrimination, sexual harassment, wrongful termination, and wrongful discipline).

<b>22. Filing Fees</b> (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><b>Check #:</b> 0000200558 <b>Amount:</b> 50.00</p> <p><b>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</b></p>

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

**FORM FILING SCHEDULE**

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

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>		<b>07-F2171</b>		
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)		<b>07-R2171</b>		
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement or Withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Employment Practices Liability Solutions Application	GSL7245 (ed. 5-07)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Employment Practices Liability Solutions Policy	GSL7213XX (ed. 5-07)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Amendment to Cancellation Provisions Noncancelable by insurer Except for Nonpayment of Premium Expanded Notice Time	GSL1255XX (ed. 1-07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Amendment to Coverage for New Subsidiaries Employee Threshold and Automatic Coverage Amendment	GSL1256XX (ed. 1-07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Additional Insured Entities	GSL1815XX (ed. 6-06)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Coverage for New Subsidiaries-Total Number of Employees % Threshold	GSL1817XX (ed. 5-06)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Common Claim Tie-In-Limits End	GSL2358XX (ed. 3-07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Third Party Wrongful Employment Practice Claims With Separate	GSL2368XX (ed. 6-07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Duty To Defend Endorsement	GSL2382XX (ed. 5-07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Outside Position Endorsement	GSL2383XX (ed. 6-07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

**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.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>07-2171</b>			
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)	<b>N/A</b>			
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement or Withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Extension Of Time To Report Claims Made During The Policy Period	GSL2384XX (ed. 6-07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Approved Counsel End	GSL2385XX (ed. 6-07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Automatic 90 Day Coverage For New Subsidiaries With Variable Percentage	GSL2386XX (ed. 6-07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Employment Contract Exclusion End	GSL2387XX (ed. 6-07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Amend Notice of Claim Reporting Requirement From 30 Days to 45 Days	GSL8481XX (ed. 1-07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	<u>Declarations Page</u>	GSL 7214XX (3-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	<u>Bilateral Extended Reporting Period</u>	GSL2055 (9-04)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	<u>Coinsurance Clause</u>	GSL2061 (9-04)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	<u>Trade and Economic Sanctions Endorsement</u>	GSL7132 (10-04)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	<u>Coverage for New Subsidiaries Asset Size Amendment</u>	GSL7144 (11-04)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

**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.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>07-2171</b>			
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)	<b>N/A</b>			
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement or Withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Independent Contractor Coverage	GSL7221XX (6-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Mass Or Class Action Retention, Sublimits And Coinsurance Endorsement	GSL7222XX (6-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Prior Acts Coverage for a Subsidiary Endorsement	GSL7223XX (6-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Defense Costs only Coverage for Violation of Fair Labor Standards Act	GSL7224XX (6-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Claims against Specified Individuals Exclusion Endorsement	GSL7225XX (6-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Conditions for Advancement of Defense Costs	GSL7226XX (6-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Definition Of Claim To Include Tolling	GSL7227XX (6-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Amendment of Hammer Clause	GSL7228XX (6-05)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Mass Or Class Action Retention Endorsement	GSL7232XX (6-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Prior or Pending Date Applicable to Increased Limits	GSL7233XX (6-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

**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.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>		<b>07-2171</b>		
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)		<b>N/A</b>		
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement or Withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Midterm Increase in Limits Endorsement	GSL7234XX (6-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Third Party Claims Endorsement	GSL7235XX (6-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Aggregate Retention Endorsement	GSL7236XX (6-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Cap On Attorney Fees Endorsement	GSL7237XX (6-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Amendment of the Declarations	G139023A (08-01)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Exclusion Of Certified Acts Of Terrorism	GSL7325XX (10-05)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Policyholder Disclosure Notice Of Insurance Coverage For Acts Of	G-144894A (01-03)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Coverage Of And Cap On Losses For "Certified Acts Of Terrorism"	G-147020A (09-03)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Cancellation – Non-Renewal End – AR	GSL7541AR (11-04)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Amendatory End – AR	GSL7919AR (5-07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
11	Disclosure Statement – AR	GSL7920AR (5-07)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		



40 Wall Street – 9<sup>th</sup> Floor  
New York, New York 10005

Robert Alonzo  
State Filing Analyst  
P & C State Filing Unit  
CNA Global Specialty Lines

August 31, 2007

Telephone 212-440-3478  
Facsimile 212-440-2877  
Toll Free 877-269-3277 x 3478  
Internet Robert.alonzo@cna.com

Arkansas Insurance Department  
P&C Division  
1200 W. 3<sup>rd</sup> Street  
Little Rock, AR 72201-1904

RE: CONTINENTAL CASUALTY COMPANY NAIC# 218-20443 FEIN# 36-2114545  
**Employment Practices Liability Solutions Program**  
**Forms Filing**  
**OUR FILE NO. : 07-F2171**

To Whom It May Concern:

On behalf of Continental Casualty Company, we hereby submit for your review and approval our Employment Practices Liability Solutions Program. This program provides coverage for claims by employees against their employers and fellow employees arising out of employment practice disputes (for example: claims that allege discrimination, sexual harassment, wrongful termination, and wrongful discipline).

Enclosed for your review please find:

- Forms Index / Explanatory Memorandum;
- A copy of the forms for your review and approval;

We propose that this filing become applicable to all policies written on or after October 15, 2007, or the earliest date permitted by your state.

A duplicate copy of this letter is enclosed along with a self addressed stamped envelope for your convenience in approving or acknowledgement.

Very truly yours,

*Robert Alonzo*

State Filing Analyst

**CONTINENTAL CASUALTY COMPANY**

**Form Filing Memorandum**

**Filing Number: 07-2171**

**Employment Practices Liability Solutions Forms**

The integrated policy format of this product provides employment practices liability coverage for individual insured persons and insured entities.

**ARKANSAS**

<b>FORM NUMBER</b>	<b>SECTION AMENDED</b>	<b>TITLE/DESCRIPTION</b>
<b>GSL7213XX (5-07)</b>	Not Applicable	<b><u>Employment Practices Liability Solutions Policy</u></b> T
<b>GSL7245 (5-07)</b>	Not Applicable	<b><u>Employment Practices Liability Solutions Application</u></b>
<b>GSL1255XX (ed. 1-07)</b>	Section VIII. Cancellation	<b><u>Amendment to Cancellation Provisions Noncancelable By Insurer Except For NonPayment of Premium Expanded Notice Time</u></b> This form amends the cancellation provision so that the policy is noncancelable by the Insurer except for nonpayment of premium in which case there is an expanded notice of time to the Named Insured.
<b>GSL1256XX (ed. 1-07)</b>	Section XV. COVERAGE FOR NEW SUBSIDIARIES	<b><u>Amendment to Coverage for New Subsidiaries Employee Threshold and Automatic Coverage Amendment</u></b> This form amends Section XV. Coverage for New Subsidiaries to provide automatic coverage for new subsidiaries subject to an employee threshold amount in which case coverage is afforded only for a specified timeframe.
<b>GSL1815XX (ed. 6-06)</b>	Section II. DEFINITIONS	<b><u>Additional Insured Entities</u></b> This form amends the policy definition of Insured Entity to include additional insured entities.
<b>GSL1817XX (ed. 5-06)</b>	Section XV. COVERAGE FOR NEW SUBSIDIARIES	<b><u>Coverage For New Subsidiaries- Total Number of Employees % Threshold Amendment</u></b> This endorsement deletes the reference to policy's 10% threshold amount and replaces it.
<b>GSL2358XX (ed. 3-07)</b>	Section IV. LIMIT OF LIABILITY/RETENTION and Section II. DEFINITIONS	<b><u>COMMON CLAIM TIE-IN-LIMITS ENDORSEMENT</u></b> In the event a claim is covered by this policy and is also covered by a policy specified by policy number in the endorsement, this endorsement specifies the combined aggregate limit of liability and retention amount available under both policies. The definition of Common Claim is also added to the policy definitions.
<b>GSL2368XX (ed. 6-07)</b>	Section II, DEFINITIONS and Section IV. LIMITS OF LIABILITY/RETENTION	<b><u>THIRD PARTY WRONGFUL EMPLOYMENT PRACTICE CLAIMS</u></b>

**CONTINENTAL CASUALTY COMPANY**

**Form Filing Memorandum**

**Filing Number: 07-2171**

**Employment Practices Liability Solutions Forms**

		<p><b><u>WITH SEPARATE RETENTION ENDORSEMENT</u></b>                  This endorsement amends the policy to provide coverage for third party wrongful employment practice claims and includes a separate retention amount for such claims.</p>
<b>GSL2382XX (ed. 5-07)</b>	Section II, DEFINITIONS, & Section V. SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS	<p><b><u>DUTY TO DEFEND ENDORSEMENT</u></b>                  This endorsement amends various policy provisions to give the Insurer the duty to defend.</p>
<b>GSL2383XX (ed. 6-07)</b>	Section II, DEFINITIONS, Section III. EXCLUSIONS, Section XI. OTHER INSURANCE	<p><b><u>OUTSIDE POSITION ENDORSEMENT</u></b>                  This endorsement amends the policy's definition of Insured Person to include an Outside Entity Executive. It also adds an exclusion for any Claim made against any Outside Entity Executive by or on behalf of the Outside Entity.</p>
<b>GSL2384XX (ed. 6-07)</b>	SECTION VI. REPORTING/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE	<p><b><u>EXTENSION OF TIME TO REPORT CLAIMS MADE DURING THE POLICY PERIOD</u></b>                  This endorsement amends the policy to increase the required notice time for reporting a claim from 30 days to 60 days after the end of the Policy Period or ERP, if applicable.</p>
<b>GSL2385XX (ed. 6-07)</b>	Section V, SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS	<p><b><u>APPROVED COUNSEL ENDORSEMENT</u></b>                  This endorsement lists approved law firms set forth to represent Insureds in defense or settlement of a claim and specifies that only amounts billed in accordance with the specified hourly rates constitute defense costs.</p>
<b>GSL2386XX (ed. 6-07)</b>	Section XV. COVERAGE FOR NEW SUBSIDIARIES	<p><b><u>AUTOMATIC 90 DAY COVERAGE FOR NEW SUBSIDIARIES WITH VARIABLE PERCENTAGE</u></b>                  This form provides automatic 90 day coverage for new subsidiaries. Within 90 days after Management Control of the new subsidiary, the Insured Entity must provide written notice of such new entity if the total # of employees is increasing by more than the % specified in the form.</p>
<b>GSL2387XX (ed. 6-07)</b>	Section II, DEFINITIONS, Section III. EXCLUSIONS,	<p><b><u>EMPLOYMENT CONTRACT EXCLUSION ENDORSEMENT</u></b>                  This endorsement adds an exclusion for any Loss, other than Defense Costs, in connection with any Claim based on or arising out of the breach of any written employment contract.</p>

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GSL8481XX (ed. 1-07)	SECTION VI. REPORTING/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE	<b><u>AMEND NOTICE OF CLAIM REPORTING REQUIREMENT FROM 30 DAYS TO 45 DAYS</u></b> This endorsement amends the required notice time for reporting a claim from 30 days to 60 days after the end of the Policy Period or ERP, if applicable.
GSL 7214XX (3-05)	Not Applicable	<b><u>Declarations Page</u></b>
GSL2055 (9-04)	Section VII, EXTENDED REPORTING PERIOD	<b><u>Bilateral Extended Reporting Period</u></b> This optional form allows for the ERP to be purchased if the Named Insured cancels or if the Named Insured or the Insurer non-renews this Policy.
GSL2061 (9-04)	Section V, SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS	<b><u>Coinsurance Clause</u></b> This optional form applies a co-insurance percentage to Loss in connection with all claims.
GSL7132 (10-04)	Amends the entire Policy	<b><u>Trade and Economic Sanctions Endorsement</u></b> This mandatory form clarifies that the policy does not provide coverage for transactions or loss that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.
GSL7144 (11-04)	Section XV. COVERAGE FOR NEW SUBSIDIARIES	<b><u>Coverage for New Subsidiaries Asset Size Amendment</u></b> This optional form amends the Asset size for New Subsidiaries.
GSL7221XX (6-05)	Section II, DEFINITIONS	<b><u>Independent Contractor Coverage</u></b> This optional form amends the definition of Employee to include any natural person who is contracted to perform work for the Insured Entity as an independent contractor subject to paragraph a & b of the endorsement.
GSL7222XX (6-05)	Section II, DEFINITIONS, Section IV, LIMITS OF LIABILITY/RETENTION and Section V, SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS	<b><u>Mass Or Class Action Retention, Sublimits And Coinsurance Endorsement</u></b> This optional endorsement adds a definition of Mass or Class Action Claim and applies a sub-limit and separate retention to these claims.
GSL7223XX (6-05)	SECTION II., DEFINITIONS and SECTION III., EXCLUSIONS	<b><u>Prior Acts Coverage for a Subsidiary Endorsement</u></b> This optional endorsement amends the definition of Subsidiary to include those list in the schedule in the endorsement and applies a Prior or Pending Litigation date to each subsidiary
GSL7224XX (6-05)	Section III, EXCLUSIONS	<b><u>Defense Costs only Coverage for Violation of Fair Labor Standards Act</u></b>

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		This optional form amends Subparagraph d. of Paragraph 2, Violation of Law, of Section III, EXCLUSIONS to cover Defense costs for Loss based upon or arising out of, or in any way involving any actual or alleged violation of The Fair Labor Standards Act etc.
<b>GSL7225XX (6-05)</b>	Section III, EXCLUSIONS	<b><u>Claims against Specified Individuals Exclusion Endorsement</u></b> This optional endorsement excludes Loss in connection with any Claim made against specified individuals.
<b>GSL7226XX (6-05)</b>	Section V, SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS	<b><u>Conditions for Advancement of Defense Costs</u></b> This optional form amends paragraph 4, Conditions for Advancement of Defense Costs to read "The Insurer, on behalf of the Insureds, shall advance Defense Costs no later than sixty (60) days after the receipt by the Insurer of itemized defense bills in excess of the applicable Retention." instead of 90 days.
<b>GSL7227XX (6-05)</b>	Section II, DEFINITIONS	<b><u>Definition Of Claim To Include Tolling</u></b> This optional form amends the Definition of Claim to include tolling.
<b>GSL7228XX (6-05)</b>	Section V, SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS	<b><u>Amendment of Hammer Clause</u></b> This optional form amends the policy to cover a specified percent of any additional Defense Costs and covered settlement amounts incurred after the time the Insurer made recommendations to settlement or compromise and the Insured withheld consent, which amount shall not exceed the remainder of such applicable limit of liability as specified in the Declarations.
<b>GSL7232XX (6-05)</b>	Section II, DEFINITIONS and Section IV, LIMITS OF LIABILITY/RETENTION	<b><u>Mass Or Class Action Retention Endorsement</u></b> This optional endorsement amends the policy by defining MASS or CLASS Action Claims and applies a separate retention to these claims.
<b>GSL7233XX (6-05)</b>	Section IV. LIMIT OF LIABILITY/RETENTION/PRESUMPTIVE INDEMNIFICATION	<b><u>Prior or Pending Date Applicable to Increased Limits</u></b> This optional form is used when a sub-limit is being provided for claims arising from proceedings underway before the P&P date.

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<b>GSL7234XX (6-05)</b>	Section IV, LIMIT OF LIABILITY/RETENTION	<b><u>Midterm Increase in Limits Endorsement</u></b> This optional endorsement is used to increase the limits midterm.
<b>GSL7235XX (6-05)</b>	Section II, DEFINITIONS	<b><u>Third Party Claims Endorsement</u></b> This optional endorsement amends the policy definition of Wrongful Act to include Third Party Wrongful Acts constituting or relating to sexual harassment or violation of a natural person's civil rights relating to such sexual harassment of any vendor, supplier or customer of the Insured Entity.
<b>GSL7236XX (6-05)</b>	Declarations Page	<b><u>Aggregate Retention Endorsement</u></b> This optional endorsement is used to amend the Retention on the declarations page.
<b>GSL7237XX (6-05)</b>	Section II, DEFINITIONS	<b><u>Cap On Attorney Fees Endorsement</u></b> This optional endorsement caps attorneys fees to a specified per hour fee.
<b>G139023A (08-01)</b>	Declarations Page	<b><u>Amendment of the Declarations</u></b> This optional form is used to change any Item on the Declarations Page
<b>GSL7325XX (10-05)</b>	The Definitions Section & the Exclusion Section	<b><u>Exclusion Of Certified Acts Of Terrorism</u></b> This form must be attached to the policy if the insured opts out of coverage.
<b>G-144894A (01-03)</b>	Entire Policy	<b><u>Policyholder Disclosure Notice Of Insurance Coverage For Acts Of Terrorism</u></b>
<b>G-147020A (09-03)</b>	Entire Policy	<b><u>Coverage Of And Cap On Losses For "Certified Acts Of Terrorism"</u></b>
<b>GSL7541AR (11-04)</b>	Section VIII, CANCELLATION	<b><u>Cancellation/Non-Renewal Endorsement-Arkansas</u></b> – amends the cancellation provision to bring it into compliance with state requirements.
<b>GSL7919AR (5-07)</b>	Section VII, EXTENDED REPORTING PERIOD	<b><u>Amendatory Endorsement - Arkansas</u></b> – Amends the policy to bring it into compliance with state requirements.

FORM	SECTION AMENDED	DESCRIPTION
<b>GSL7920AR (5-07)</b>		<b><u>Disclosure Statement - Arkansas</u></b> – informs the insured that defense costs are part of and not in addition to the limits of liability.

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The integrated policy format of this product provides employment practices liability coverage for individual insured persons and insured entities.

**ARKANSAS**

<b>FORM NUMBER</b>	<b>SECTION AMENDED</b>	<b>TITLE/DESCRIPTION</b>
<b>GSL7213XX (5-07)</b>	Not Applicable	<b><u>Employment Practices Liability Solutions Policy</u></b>
<b>GSL7245 (5-07)</b>	Not Applicable	<b><u>Employment Practices Liability Solutions Application</u></b>
<b>GSL1255XX (ed. 1-07)</b>	Section VIII. Cancellation	<b><u>Amendment to Cancellation Provisions Noncancelable By Insurer Except For NonPayment of Premium Expanded Notice Time</u></b> This form amends the cancellation provision so that the policy is noncancelable by the Insurer except for nonpayment of premium in which case there is an expanded notice of time to the Named Insured.
<b>GSL1256XX (ed. 1-07)</b>	Section XV. COVERAGE FOR NEW SUBSIDIARIES	<b><u>Amendment to Coverage for New Subsidiaries Employee Threshold and Automatic Coverage Amendment</u></b> This form amends Section XV. Coverage for New Subsidiaries to provide automatic coverage for new subsidiaries subject to an employee threshold amount in which case coverage is afforded only for a specified timeframe.
<b>GSL1815XX (ed. 6-06)</b>	Section II. DEFINITIONS	<b><u>Additional Insured Entities</u></b> This form amends the policy definition of Insured Entity to include additional insured entities.
<b>GSL1817XX (ed. 5-06)</b>	Section XV. COVERAGE FOR NEW SUBSIDIARIES	<b><u>Coverage For New Subsidiaries- Total Number of Employees % Threshold Amendment</u></b> This endorsement deletes the reference to policy's 10% threshold amount and replaces it.
<b>GSL2358XX (ed. 3-07)</b>	Section IV. LIMIT OF LIABILITY/RETENTION and Section II. DEFINITIONS	<b><u>COMMON CLAIM TIE-IN-LIMITS ENDORSEMENT</u></b> In the event a claim is covered by this policy and is also covered by a policy specified by policy number in the endorsement, this endorsement specifies the combined aggregate limit of liability and retention amount available under both policies. The definition of Common Claim is also added to the policy definitions.

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FORM NUMBER	SECTION AMENDED	TITLE/DESCRIPTION
GSL2368XX (ed. 6-07)	Section II, DEFINITIONS and Section IV. LIMITS OF LIABILITY/RETENTION	<p><b><u>THIRD PARTY WRONGFUL EMPLOYMENT PRACTICE CLAIMS WITH SEPARATE RETENTION ENDORSEMENT</u></b></p> <p>This endorsement amends the policy to provide coverage for third party wrongful employment practice claims and includes a separate retention amount for such claims.</p>
GSL2382XX (ed. 5-07)	Section II, DEFINITIONS, & Section V. SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS	<p><b><u>DUTY TO DEFEND ENDORSEMENT</u></b></p> <p>This endorsement amends various policy provisions to give the Insurer the duty to defend.</p>
GSL2383XX (ed. 6-07)	Section II, DEFINITIONS, Section III. EXCLUSIONS, Section XI. OTHER INSURANCE	<p><b><u>OUTSIDE POSITION ENDORSEMENT</u></b></p> <p>This endorsement amends the policy's definition of Insured Person to include an Outside Entity Executive. It also adds an exclusion for any Claim made against any Outside Entity Executive by or on behalf of the Outside Entity.</p>
GSL2384XX (ed. 6-07) [This endorsement is mandatory]	SECTION VI. REPORTING/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE	<p><b><u>EXTENSION OF TIME TO REPORT CLAIMS MADE DURING THE POLICY PERIOD</u></b></p> <p>This endorsement amends the policy to increase the required notice time for reporting a claim from 30 days to 60 days after the end of the Policy Period or ERP, if applicable.</p>
GSL2385XX (ed. 6-07)	Section V, SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS	<p><b><u>APPROVED COUNSEL ENDORSEMENT</u></b></p> <p>This endorsement lists approved law firms set forth to represent Insureds in defense or settlement of a claim and specifies that only amounts billed in accordance with the specified hourly rates constitute defense costs.</p>
GSL2386XX (ed. 6-07)	Section XV. COVERAGE FOR NEW SUBSIDIARIES	<p><b><u>AUTOMATIC 90 DAY COVERAGE FOR NEW SUBSIDIARIES WITH VARIABLE PERCENTAGE</u></b></p> <p>This form provides automatic 90 day coverage for new subsidiaries. Within 90 days after Management Control of the new subsidiary, the Insured Entity must provide written notice of such new entity if the total # of employees is increasing by more than the % specified in the form.</p>

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FORM NUMBER	SECTION AMENDED	TITLE/DESCRIPTION
GSL2387XX (ed. 6-07)	Section II, DEFINITIONS, Section III. EXCLUSIONS,	<b><u>EMPLOYMENT CONTRACT EXCLUSION ENDORSEMENT</u></b> This endorsement adds an exclusion for any Loss, other than Defense Costs, in connection with any Claim based on or arising out of the breach of any written employment contract.
GSL 7214XX (3-05)	Not Applicable	<b><u>Declarations Page</u></b>
GSL2055 (9-04)	Section VII, EXTENDED REPORTING PERIOD	<b><u>Bilateral Extended Reporting Period</u></b> This optional form allows for the ERP to be purchased if the Named Insured cancels or if the Named Insured or the Insurer non-renews this Policy.
GSL2061 (9-04)	Section V, SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS	<b><u>Coinsurance Clause</u></b> This optional form applies a co-insurance percentage to Loss in connection with all claims.
GSL7132 (10-04)	Amends the entire Policy	<b><u>Trade and Economic Sanctions Endorsement</u></b> This mandatory form clarifies that the policy does not provide coverage for transactions or loss that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.
GSL7144 (11-04)	Section XV. COVERAGE FOR NEW SUBSIDIARIES	<b><u>Coverage for New Subsidiaries Asset Size Amendment</u></b> This optional form amends the Asset size for New Subsidiaries.
GSL7221XX (6-05)	Section II, DEFINITIONS	<b><u>Independent Contractor Coverage</u></b> This optional form amends the definition of Employee to include any natural person who is contracted to perform work for the Insured Entity as an independent contractor subject to paragraph a & b of the endorsement.
GSL7222XX (6-05)	Section II, DEFINITIONS, Section IV, LIMITS OF LIABILITY/RETENTION and Section V, SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS	<b><u>Mass Or Class Action Retention, Sublimits And Coinsurance Endorsement</u></b> This optional endorsement adds a definition of Mass or Class Action Claim and applies a sub-limit and separate retention to these claims.

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FORM NUMBER	SECTION AMENDED	TITLE/DESCRIPTION
GSL7223XX (6-05)	SECTION II., DEFINITIONS and SECTION III., EXCLUSIONS	<p><b><u>Prior Acts Coverage for a Subsidiary Endorsement</u></b>  This optional endorsement amends the definition of Subsidiary to include those list in the schedule in the endorsement and applies a Prior or Pending Litigation date to each subsidiary</p>
GSL7224XX (6-05)	Section III, EXCLUSIONS	<p><b><u>Defense Costs only Coverage for Violation of Fair Labor Standards Act</u></b>  This optional form amends Subparagraph d. of Paragraph 2, Violation of Law, of Section III, EXCLUSIONS to cover Defense costs for Loss based upon or arising out of, or in any way involving any actual or alleged violation of The Fair Labor Standards Act etc.</p>
GSL7225XX (6-05)	Section III, EXCLUSIONS	<p><b><u>Claims against Specified Individuals Exclusion Endorsement</u></b>  This optional endorsement excludes Loss in connection with any Claim made against specified individuals.</p>
GSL7226XX (6-05)	Section V, SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS	<p><b><u>Conditions for Advancement of Defense Costs</u></b>  This optional form amends paragraph 4, Conditions for Advancement of Defense Costs to read "The Insurer, on behalf of the Insureds, shall advance Defense Costs no later than sixty (60) days after the receipt by the Insurer of itemized defense bills in excess of the applicable Retention." instead of 90 days.</p>
GSL7227XX (6-05)	Section II, DEFINITIONS	<p><b><u>Definition Of Claim To Include Tolling</u></b>  This optional form amends the Definition of Claim to include tolling.</p>
GSL7228XX (6-05)	Section V, SETTLEMENT/DEFENSE OF CLAIMS/ALLOCATION OF LOSS/ADVANCEMENT OF DEFENSE COSTS	<p><b><u>Amendment of Hammer Clause</u></b>  This optional form amends the policy to cover a specified percent of any additional Defense Costs and covered settlement amounts incurred after the time the Insurer made recommendations to settlement or compromise and the Insured withheld consent, which amount shall not exceed the remainder of such applicable limit of liability as specified in the Declarations.</p>

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<b>FORM NUMBER</b>	<b>SECTION AMENDED</b>	<b>TITLE/DESCRIPTION</b>
<b>GSL7232XX (6-05)</b>	Section II, DEFINITIONS and Section IV, LIMITS OF LIABILITY/RETENTION	<b><u>Mass Or Class Action Retention Endorsement</u></b> This optional endorsement amends the policy by defining MASS or CLASS Action Claims and applies a separate retention to these claims.
<b>GSL7233XX (6-05)</b>	Section IV. LIMIT OF LIABILITY/RETENTION/PRESUMPTIVE INDEMNIFICATION	<b><u>Prior or Pending Date Applicable to Increased Limits</u></b> This optional form is used when a sub-limit is being provided for claims arising from proceedings underway before the P&P date.
<b>GSL7234XX (6-05)</b>	Section IV, LIMIT OF LIABILITY/RETENTION	<b><u>Midterm Increase in Limits Endorsement</u></b> This optional endorsement is used to increase the limits midterm.
<b>GSL7235XX (6-05)</b>	Section II, DEFINITIONS	<b><u>Third Party Claims Endorsement</u></b> This optional endorsement amends the policy definition of Wrongful Act to include Third Party Wrongful Acts constituting or relating to sexual harassment or violation of a natural person's civil rights relating to such sexual harassment of any vendor, supplier or customer of the Insured Entity.
<b>GSL7236XX (6-05)</b>	Declarations Page	<b><u>Aggregate Retention Endorsement</u></b> This optional endorsement is used to amend the Retention on the declarations page.
<b>GSL7237XX (6-05)</b>	Section II, DEFINITIONS	<b><u>Cap On Attorney Fees Endorsement</u></b> This optional endorsement caps attorneys fees to a specified per hour fee.
<b>G139023A (08-01)</b>	Declarations Page	<b><u>Amendment of the Declarations</u></b> This optional form is used to change any Item on the Declarations Page
<b>GSL7325XX (10-05)</b>	The Definitions Section & the Exclusion Section	<b><u>Exclusion Of Certified Acts Of Terrorism</u></b> This form must be attached to the policy if the insured opts out of coverage.
<b>G-144894A (01-03)</b>	Entire Policy	<b><u>Policyholder Disclosure Notice Of Insurance Coverage For Acts Of Terrorism</u></b>
<b>G-147020A (09-03)</b>	Entire Policy	<b><u>Coverage Of And Cap On Losses For "Certified Acts Of Terrorism"</u></b>
<b>GSL7541AR (11-04)</b>	Section VIII, CANCELLATION	<b><u>Cancellation/Non-Renewal Endorsement-Arkansas</u></b> – amends the cancellation provision to bring it into compliance with state requirements.

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FORM NUMBER	SECTION AMENDED	TITLE/DESCRIPTION
GSL7919AR (5-07)	Section VII, EXTENDED REPORTING PERIOD	<b><u>Amendatory Endorsement - Arkansas</u></b> – Amends the policy to bring it into compliance with state requirements.
GSL7920AR (5-07)		<b><u>Disclosure Statement - Arkansas</u></b> – informs the insured that defense costs are part of and not in addition to the limits of liability.