

SERFF Tracking Number: NAVG-125847853 State: Arkansas
Filing Company: Navigators Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: SP-F-908-AR
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability
Product Name: Private Smart Policy Initial Program Filing
Project Name/Number: Private Smart Policy Initial Program Filing/SP-F-908-AR

Filing at a Glance

Company: Navigators Insurance Company

Product Name: Private Smart Policy Initial Program Filing SERFF Tr Num: NAVG-125847853 State: Arkansas

TOI: 17.1 Other Liability - Claims Made Only SERFF Status: Closed State Tr Num: EFT \$50
Sub-TOI: 17.1006 Directors & Officers Liability Co Tr Num: SP-F-908-AR State Status: Fees verified and received

Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Edith Roberts

Authors: Orlando Moreno, Katie Cook Disposition Date: 12/09/2008

Date Submitted: 11/05/2008 Disposition Status: Approved

Effective Date Requested (New): On Approval Effective Date (New):

Effective Date Requested (Renewal): On Approval Effective Date (Renewal):

State Filing Description:

General Information

Project Name: Private Smart Policy Initial Program Filing

Project Number: SP-F-908-AR

Reference Organization:

Reference Title:

Filing Status Changed: 12/09/2008

State Status Changed: 12/09/2008

Corresponding Filing Tracking Number:

Filing Description:

Dear Reviewer:

On the behalf of Navigators Insurance Company, we are submitting for your review the forms list for our new SmartPolicy which is designed to provide management liability lines including Directors and Officers, Employment Practices Liability and Fiduciary Liability coverage for private companies, all within one form. The Insureds will have the option of purchasing some or all of these coverage parts and within each coverage part will have additional options to

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

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purchase certain coverage extensions. The Directors and Officers Coverage Part (NAV-SPDO-001 (9/08)) will be the anchor coverage part, with the remaining two coverage parts optional.

This policy was developed for the private company market in order to give smaller companies the opportunity to purchase several of the most sought after corporate insurance coverages in one convenient policy provided by a single carrier.

Currently Navigators can provide an Insured with any one of the coverages mentioned above on separate forms, amended by endorsement to address issues particular to private companies. Upon renewal of these policies, the Insureds will be given the option but will not be required to move from their current form to the Smart Policy.

The form provides additional coverage for the costs of investigating derivative demands made on boards of directors. In addition, we provide additional limits for outside Directors should the Insured become unable to indemnify directors for their costs and our policy limits have exhausted.

The forms are independent of ISO or any other rating bureau. However for over a decade, the simplified form structure has been standard in the insurance industry with each insurer providing a version of private company management liability lines form including Directors and Officers, Employment Practices Liability and Fiduciary Liability coverage. A complete listing of the coverage parts and endorsements, including the application and declarations, is included with this filing.

Your review for approval of this submission is hereby requested and very much appreciated. Thanks!

Sincerely,

Orlando Moreno
Compliance Analyst
Navigators Insurance Company
Tel: (847) 285-9006

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Company and Contact

Filing Contact Information

Katherine Cook, Compliance Analyst kcook@navg.com
 1375 E. Woodfield Rd. (847) 285-9022 [Phone]
 Schaumburg, IL 60173 (847) 230-1934[FAX]

Filing Company Information

Navigators Insurance Company CoCode: 42307 State of Domicile: New York
 1375 E. Woodfield Rd. Group Code: 510 Company Type: P&C
 Schaumburg, IL 60173 Group Name: Navigators Group, State ID Number:
 Inc.
 (847) 285-9006 ext. [Phone] FEIN Number: 13-3138390

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Navigators Insurance Company	\$50.00	11/05/2008	23722463

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	12/09/2008	12/09/2008

SERFF Tracking Number: *NAVG-125847853* *State:* *Arkansas*
Filing Company: *Navigators Insurance Company* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *SP-F-908-AR*
TOI: *17.1 Other Liability - Claims Made Only* *Sub-TOI:* *17.1006 Directors & Officers Liability*
Product Name: *Private Smart Policy Initial Program Filing*
Project Name/Number: *Private Smart Policy Initial Program Filing/SP-F-908-AR*

Disposition

Disposition Date: 12/09/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: NAVG-125847853 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Forms List	Approved	Yes
Form	Proposal Form For SmartPolicy	Approved	Yes
Form	SmartPolicy Declaration	Approved	Yes
Form	Directors and Officers Liability Coverage Part	Approved	Yes
Form	Employment Practices Liability Coverage Part	Approved	Yes
Form	Fiduciary Liability Coverage Part	Approved	Yes
Form	General Terms and Conditions	Approved	Yes
Form	Amended Section VI Investigation and Settlement	Approved	Yes
Form	Amend Section III. Exclusions A.8	Approved	Yes
Form	Amend Section III. Exclusions A. 8 (d)	Approved	Yes
Form	Amend Section VIII. Changes in Exposure	Approved	Yes
Form	Amend Section VII. Notice A	Approved	Yes
Form	Amend Section VIII. Changes in Exposure, G1	Approved	Yes
Form	Amend Section VI. Allocation	Approved	Yes
Form	Amend Section II. B Employee 4	Approved	Yes
Form	Delete Section III. B.4	Approved	Yes
Form	Amend Section VI. Investigation and Settlement	Approved	Yes
Form	Omnibus Endorsement	Approved	Yes
Form	Amend Section III. Exclusions A. 1(i)	Approved	Yes
Form	Non Rescindable Endorsement	Approved	Yes
Form	Amend Section VII. Notice, B	Approved	Yes
Form	Arkansas Consent Agreement	Approved	Yes
Form	Arkansas Endorsement	Approved	Yes
Form	Arkansas Policyholder Notice	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Proposal Form For SmartPolicy	NAV-SP-APP	9/08	Application/ New Binder/Enrollment		0.00	NAV-SP-APP-908.pdf
Approved	SmartPolicy Declaration	NAV-SPDO-DEC	9/08	Declaration New s/Schedule		0.00	NAV-SPDO-DEC 908.pdf
Approved	Directors and Officers Liability Coverage Part	NAV-SPDO-001	9/08	Policy/CoveNew rage Form		0.00	NAV-SPDO-001 908.pdf
Approved	Employment Practices Liability Coverage Part	NAV-SPEP-001	9/08	Policy/CoveNew rage Form		0.00	NAV-SPEP-001 908.pdf
Approved	Fiduciary Liability Coverage Part	NAV-SPFL-001	9/08	Policy/CoveNew rage Form		0.00	NAV-SPFL-001 908.pdf
Approved	General Terms and Conditions	NAV-SPGT-001	9/08	Policy/CoveNew rage Form		0.00	NAV-SPGT-001 908.pdf
Approved	Amended Section VI Investigation and Settlement	NAV-PDL-01	9/08	Endorseme New nt/Amendm ent/Condit ions		0.00	Endorsemen t NAV-PDL-01 (908).pdf
Approved	Amend Section III. Exclusions A.802	NAV-PDL-02	9/08	Endorseme New nt/Amendm ent/Condit ions		0.00	Endorsemen t NAV-PDL-02 (908).pdf
Approved	Amend Section III. Exclusions A. 8 (d)	NAV-PDL-03	9/08	Endorseme New nt/Amendm ent/Condit ions		0.00	Endorsemen t NAV-PDL-03 (908).pdf
Approved	Amend Section VIII. Changes in Exposure	NAV-PDL-04	9/08	Endorseme New nt/Amendm ent/Condit ions		0.00	Endorsemen t NAV-PDL-04 (908).pdf
Approved	Amend Section	NAV-PDL-05	9/08	Endorseme New		0.00	Endorsemen

<i>SERFF Tracking Number:</i>	<i>NAVG-125847853</i>	<i>State:</i>	<i>Arkansas</i>		
<i>Filing Company:</i>	<i>Navigators Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>		
<i>Company Tracking Number:</i>	<i>SP-F-908-AR</i>				
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1006 Directors & Officers Liability</i>		
<i>Product Name:</i>	<i>Private Smart Policy Initial Program Filing</i>				
<i>Project Name/Number:</i>	<i>Private Smart Policy Initial Program Filing/SP-F-908-AR</i>				
	VII. Notice A	05	nt/Amendm ent/Condi ons	t NAV-PDL- 05 (908).pdf	
Approved	Amend Section VIII. Changes in Exposure, G1	NAV-PDL-9/08 06	Endorseme New nt/Amendm ent/Condi ons	0.00	Endorsemen t NAV-PDL- 06 (908).pdf
Approved	Amend Section VI. Allocation	NAV-PDL-9/08 07	Endorseme New nt/Amendm ent/Condi ons	0.00	Endorsemen t NAV-PDL- 07 (908).pdf
Approved	Amend Section II. B Employee 4	NAV-PDL-9/08 08	Endorseme New nt/Amendm ent/Condi ons	0.00	Endorsemen t NAV-PDL- 08 (908).pdf
Approved	Delete Section III. B.4	NAV-PDL-9/08 09	Endorseme New nt/Amendm ent/Condi ons	0.00	Endorsemen t NAV-PDL- 09 (908).pdf
Approved	Amend Section VI. Investigation and Settlement	NAV-PDL-9/08 10	Endorseme New nt/Amendm ent/Condi ons	0.00	Endorsemen t NAV-PDL- 10 (908).pdf
Approved	Omnibus Endorsement	NAV-PDL-9/08 11	Endorseme New nt/Amendm ent/Condi ons	0.00	Endorsemen t NAV-PDL- 11 (908).pdf
Approved	Amend Section III. Exclusions A. 1(i)	NAV-PDL-9/08 12	Endorseme New nt/Amendm ent/Condi ons	0.00	Endorsemen t NAV-PDL- 12 (908).pdf
Approved	Non Rescindable Endorsement	NAV-PDL-9/08 13	Endorseme New nt/Amendm ent/Condi ons	0.00	Endorsemen t NAV-PDL- 13 (908).pdf
Approved	Amend Section VII. Notice, B	NAV-PDL-9/08 14	Endorseme New nt/Amendm ent/Condi	0.00	Endorsemen t NAV-PDL- 14 (908).pdf

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Approved	Arkansas	NAV-PDL-9/08	Disclosure/ New	AR Consent
	Consent	301-AR	Notice	Agreement
	Agreement			NAV-PDL-301-AR
				908.pdf
Approved	Arkansas	NAV-PDL-9/08	Endorseme New	AR
	Endorsement	300-AR	nt/Amendm	Endorsemen
			ent/Condi	t NAV-PDL-
			ons	300-AR
				908.pdf
Approved	Arkansas	NAV-PDL-9/08	Endorseme New	AR
	Policyholder	302-AR	nt/Amendm	Policyholder
	Notice		ent/Condi	Notice NAV-
			ons	PDL-302-AR
				908.pdf



Navigators Insurance Company

PROPOSAL FORM FOR SMARTPOLICY

NOTICE: THIS PROPOSAL FORM IS FOR A CLAIMS MADE POLICY WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE *POLICY PERIOD* OR ANY EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED, AND MAY BE EXHAUSTED, BY *COSTS OF DEFENSE*, AND *COSTS OF DEFENSE* WILL BE APPLIED AGAINST THE APPLICABLE RETENTION. THE COVERAGE AFFORDED UNDER THIS POLICY DIFFERS IN SOME RESPECTS FROM THAT AFFORDED UNDER OTHER POLICIES. PLEASE READ THE ENTIRE PROPOSAL FORM CAREFULLY BEFORE SIGNING.

ALL TERMS WHICH ARE BOLDED OR ITALICIZED IN THIS PROPOSAL FORM REFER TO DEFINITIONS CONTAINED IN THE POLICY WORDING AND ARE INTENDED TO HAVE THE SAME MEANING IN THIS PROPOSAL FORM AS THAT SET OUT IN THE POLICY. PLEASE NOTE PARTICULARLY THAT THE TERM *COMPANY* INCLUDES ALL *SUBSIDIARY* COMPANIES. WHERE AN ANSWER REFERS TO A SPECIFIC *SUBSIDIARY* PLEASE CLEARLY IDENTIFY THIS.

1. GENERAL INFORMATION:

- a) Name of **Company** _____
- b) Principal Address: _____
 City: _____ State: _____ ZIP: _____
- c) Website (if applicable): _____
- d) State of Incorporation and Date Thereof: _____
- e) Nature of Operations: _____

- f) Type of Organization (Corporation, Partnership, Joint Venture, Sole Proprietorship, etc.): _____
- g) Name and Title of the officer of the **Company** designated as the representative to receive all notices from the Insurer on behalf of all person(s) and entity(ies) proposed for this insurance: _____

2. CURRENT INSURANCE:

D&O (Directors & Officers Liability)		Fiduciary Liability	
Carrier(s)	_____	Carrier(s)	_____
Limit	_____	Limit	_____
Premium	_____	Premium	_____
Expiration	_____	Expiration	_____
EPL (Employment Practices Liability)		Crime	
Carrier(s)	_____	Carrier(s)	_____
Limit	_____	Limit	_____
Premium	_____	Premium	_____
Expiration	_____	Expiration	_____

3. MISSOURI APPLICANTS/AGENTS – DO NOT ANSWER THIS QUESTION.

Have any of the **Company's** D&O or EPL carriers indicated an intent not to offer renewal terms? Yes No
 If "Yes," please provide details as an attachment to this Proposal Form.

4. STOCK OWNERSHIP:

a) Total number of voting shares outstanding: _____

b) Total number of voting shareholders: _____

c) Please list all **Directors and Officers** and their respective percentage of voting shares owned whether directly or beneficially: _____

d) Other than those identified in c) above, are there any shareholders who hold greater than five percent (5%) of the voting shares of the **Company** whether directly or beneficially? Yes No
 If Yes, please list all such shareholders and their respective percentage of voting shares owned whether directly or beneficially:

Owner	Type of Security	% Owned

5. SUBSIDIARY INFORMATION :

List all **Subsidiary** Companies:

<u>NAME</u>	<u>NATURE OF BUSINESS</u>	<u>DATE ACQUIRED OR CREATED</u>	<u>PERCENTAGE OWNED</u>	<u>STATE/COUNTRY OF INCORPORATION</u>	<u>EMPLOYEES</u>

6. ADDITIONAL INFORMATION:

- a) Have there been any changes in executive **Officers or Directors** during the past 12 months? If yes please provide details as an attachment to this Proposal Form. Yes No
- b) Are any changes currently anticipated in executive **Officers or Directors**? If yes, provide details and biography as an attachment to this Proposal Form. Yes No
- c) Has the **Company** been involved in any merger, consolidation, tender offer, or acquisition of assets or equity securities within the past 12 months? Yes No
 If yes, please provide details.
- d) Is the **Company** currently involved in or considering any merger, consolidation, tender offer or acquisition of assets or equity securities within the next 12 months? Yes No
 If yes, please provide details.
- e) Is the **Company** currently involved in or considering any restructuring, write downs, charges, restatements or sale, distribution or divestiture of any assets? Yes No
 If yes, please provide details.
- f) Is the **Company** currently or has it at any time over the last year been in breach or violation of any debt covenant or loan agreement or any other material contractual obligation? Yes No
 If yes, please provide details.

g) Please indicate whether the **Company** in the past thirty-six (36) months has completed or agreed to, or contemplates within the next twelve (12) months, any of the following, whether or not such transactions were or will be completed.

i. Any registration for a public debt or equity offering or any private placement of debt or equity securities? Yes No

If "Yes," please describe the essential terms of each such transaction as an attachment to this Proposal Form.

ii. Any restructuring or legal or financial reorganization or filing for bankruptcy? Yes No

If "Yes," please describe the essential terms of each such transaction as an attachment to this Proposal Form.

h) Does the **Company** provide any services to any third party for a fee? Yes No

If "Yes," please provide details: _____

i) Does the **Company**, including the **Directors and Officers** thereof, presently act or plan to act in the capacity of General Partner in any Limited or General Partnership? Yes No

If "Yes," please provide details as an attachment to this Proposal Form.

7. EMPLOYEE INFORMATION:

THIS SECTION SHOULD BE COMPLETED IN FULL IF COVERAGE UNDER THE EMPLOYMENT PRACTICES PART IS REQUIRED

a) Has the **Company** in the past twenty-four (24) months had, or in the next twenty-four (24) months anticipate any full or partial plant, facility, branch or office closing, consolidations or layoffs?

b) If question 7a is "yes", do you have a formal out-placement program which assists terminated or laid off employees in finding other jobs? Yes No

If "Yes", please provide details and copies of all such policies, forms and handbooks together with information regarding the distribution of such policies, forms and handbooks to your employees as an attachment to this Proposal Form.

c) Total number of employees currently:

Full-Time:

Part-Time (including seasonal, volunteers, temporary):

Union:

Total number of Independent Contractors performing services under the exclusive direction of the **Company**:

Total number of Leased Employees:

d) Total number of full-time and part-time employees (excluding independent contractors and leased employees):

1 Year ago

2 Years ago

3 Years ago

e) Please provide the number of full-time and part-time employees in the following geographical locations:

Location	Full Time	Part Time	Independent Contractors	Leased Employees
California				
Texas				
Michigan				
All other states				
Outside of U.S.				

Total

f) Percentage of employees with salaries (including bonuses):

Less than \$25,000 _____ %

\$25,000 - \$50,000 _____ %

\$50,000 - \$100,000 _____ %

Greater than \$100,000 _____ %

g) For the past three (3) years, indicate the number of officers and other employees that have been involuntarily terminated?

_____ current year _____ one year ago _____ two years ago

h) What is the employee turnover rate for each of the past three years?

_____ % current year _____ % one year ago _____ % two years ago

i) Are any of the employees of the **Company** (including **Directors, Officers** and general partners) employed under a written employment contract? Yes No

If so, how many? _____

8. HUMAN RESOURCES:

a) Does the Company have written procedures/guidelines in place with regard to the following:

- ADA Compliance Yes No
- Affirmative Action Program Yes No
- Discipline Yes No
- Discrimination Yes No
- Employment Assistance Program Yes No
- Employment at Will Yes No
- Equal Employment Opportunity Yes No
- Family Medical Leave Act Yes No
- Grievance Policy Yes No
- Hiring/Interviewing Yes No
- Regular Performance Appraisals/Reviews Yes No
- Sexual Harassment Yes No
- Sick Leave/Maternity Leave Yes No
- Termination Procedure/Progressive Discipline Yes No

b) Risk Management

- Does the Company have a human resources department? Yes No
- Are the human resources matters handled in branch offices and/or subsidiaries in the same manner or similar manner as the home office? Yes No
- Is there an employee handbook? If "Yes," please provide a copy Yes No
- Is it distributed to all employees? Yes No
- Has the Company informed employees that incidents of sexual harassment may be reported without fear of retaliation by the Company? Yes No

- e) If any benefits are from insurance/annuity contracts, please fill in the following. Otherwise, proceed to Question g.
- i) **Plan name:** _____ Insurance
- ii) **Plan name:** _____ Insurance
- f) Have procedures been adopted to ensure that each **Plan** is administered according to its terms, and that it complies in form and operation with ERISA, the Internal Revenue Code of 1986, and other applicable laws and regulations?
- g) Please answer the following questions, and explain by attachment to this **Proposal Form** any "Yes" answer.
- i) Has any **Plan** filed for exemption from a prohibited transaction?
- ii) Does any defined benefit pension plan have a funding deficiency?
- iii) Has the Internal Revenue Service withdrawn or threatened to withdraw the tax-exempt status of any **Plan**?
- iv) Does any **Plan** hold employer securities or employer real property in violation of ERISA or in excess of amount?
- v) Is any **Plan** loan, lease or debt obligation in default or classified as uncollectable?
- vi) Has any **Plan** received an adverse opinion as to its financial condition by an independent public accountant?
- vii) Has any person acting as a fiduciary of any **Plan** been:
- a) accused or found guilty of a breach of trust?
- b) accused or found guilty under any criminal act enumerated in Section 411 of ERISA?
- c) refused coverage under a fidelity bond?
- h)
- i) In the past 36 months has a merger, transfer of assets or termination of a **Plan** (or **Plans**) been completed or agreed to?
If "Yes," please explain in detail:

- ii) Is any merger, transfer of assets or termination of a **Plan** (or **Plans**) expected within the next 12 months?
If "Yes," please explain in detail:

- i) Please list all **Plan** trustees who are **Directors, Officers** and/or employees of the **Company**:
- | Name | Title or Occupation |
|-------|---------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
- j) Has the fiduciary or fiduciaries of any **Plan** delegated authority for the management and control of such **Plan's** assets to any outside consultant(s)?
- If "Yes", please explain and provide the following information with respect to each **Plan** (attach supplemental schedule, if applicable):
- | Type of Consultant | Name |
|--------------------|-------|
| Investment Advisor | _____ |
| Actuary | _____ |
| Legal Counsel | _____ |
| CPA | _____ |
| Administrator | _____ |
| Other(s) | _____ |

- k) During the past three years, has any consultant other than the consultant(s) identified in the answer to Question k above been delegated any authority for the management and control of any **Plan's** assets? Yes No
If "Yes", please explain circumstances. _____
-
-

- l) Does the **Company** have a financial, equity or other interest in any consultant identified in the answer to Question k above, or is any such consultant a **Director, Officer** and/or employee of the **Company** Organization? Yes No
If "Yes", please explain. _____

10. LOSS HISTORY

a) Has the **Company**, or any proposed **Insured**, been involved in the following within the last 5 years?

i) Any civil or criminal action or regulatory or administrative proceeding alleging a violation of any federal or state anti-trust, copyright, patent or securities law or regulation? Yes No

ii) Any representative actions, class actions or derivative suits? Yes No

iii) Any employment related litigation, internal grievances, charges or administrative proceedings (including but not limited to proceedings before the National Labor Relations Board or the Equal Employment Opportunity Commission or any other federal, state or local government agency) involving employees, independent contractors, customers/clients, or other third parties. Yes No

iv) Any non-employment related federal, state or local government, regulatory or administrative proceedings? Yes No

If "Yes" to any of the above please provide complete details. Please provide the date the matter was initiated, the name of the claimant, a description of the allegations, the current procedural status, the amount of any settlement payment or the current settlement demand, and the amount of defense costs incurred to date. If none, so state.

b) Is there any material litigation currently pending against the **Company** or any proposed **Insured**? Yes No

c) Are there any pending claims against any proposed **Insured** which may fall within the scope of coverage afforded by any similar insurance presently or previously in effect or currently proposed? If "Yes" please provide complete details. Yes No

d) Has the **Company**, or any proposed **Insured** given notice under the provisions of any other previous or current similar insurance policy of any claims, facts or circumstances which may give rise to a claim being made against any proposed Insured. Yes No
If "Yes" please provide complete details.

e) If coverage under the Fiduciary Liability Coverage Part is required, and unless provided with respect to the above questions, please provide a list of all claims that have made against any proposed Insured in the proposed Insured's capacity as a fiduciary of any **Plan**. Please provide the date the claim was initiated, the name of the claimant, a description of the allegations, the current procedural status, the amount of any settlement payment or the current settlement demand, and the amount of defense costs incurred to date. If none, so state.

IT IS UNDERSTOOD AND AGREED THAT ANY MATTERS DISCLOSED OR WHICH SHOULD HAVE BEEN DISCLOSED IN RESPONSE TO THE QUESTIONS ASKED ABOVE, ARE EXCLUDED FROM THE PROPOSED INSURANCE. ANY MATTERS ARISING FROM ANY FACTS OR CIRCUMSTANCES DISCLOSED OR WHICH SHOULD HAVE BEEN DISCLOSED IN RESPONSE TO THE QUESTIONS ASKED ABOVE, ARE EXCLUDED FROM THE PROPOSED INSURANCE.

11. PRIOR KNOWLEDGE: **(RENEWAL APPLICANTS: Question 11 Need not be answered)**

Does anyone for whom this insurance is intended have any knowledge or information of any act, error, omission, fact, circumstance which might give rise to a claim which may fall within the scope of the proposed insurance? Yes No

If "Yes," provide complete details:

IT IS UNDERSTOOD AND AGREED THAT IF SUCH KNOWLEDGE OR INFORMATION EXISTS, ANY CLAIM ARISING THEREFROM IS EXCLUDED FROM THIS PROPOSED INSURANCE.

12. As part of this Application, please submit the following documents with respect to the Company

- a) Most recent audited financial statements with any notes and schedules.
- b) Most recent unaudited interim financial statements.
- c) Summary and status of any litigation filed within the last twenty-four (24) months by or against any person(s) or entity(ies) proposed for this insurance (including any litigation that has been resolved).
- d) Copy of employee handbook.
- e) EEO-1 Report.
- f) Copy of current business plan.
- g) Any registration statements filed with the SEC or any private placement memorandums within the last twelve (12) months.

NOTICE TO APPLICANT – PLEASE READ CAREFULLY.

FOR THE PURPOSES OF THIS APPLICATION, THE UNDERSIGNED AUTHORIZED AGENT OF THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS IN THIS APPLICATION, AND IN ANY ATTACHMENTS, ARE TRUE AND COMPLETE. THE UNDERWRITER IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. ACCEPTING THIS APPLICATION DOES NOT BIND THE UNDERWRITER TO COMPLETE, OR THE APPLICANT TO PURCHASE, THE INSURANCE.

THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE UNDERWRITER AND ALONG WITH THE APPLICATION IS CONSIDERED PHYSICALLY ATTACHED TO THE POLICY AND WILL BECOME PART OF IT. THE UNDERWRITER WILL HAVE RELIED UPON THIS APPLICATION AND ATTACHMENTS IN ISSUING ANY POLICY. THIS APPLICATION WILL BECOME A PART OF SUCH POLICY IF ISSUED.

IF THE INFORMATION IN THIS APPLICATION OR IN ANY ATTACHMENT MATERIALLY CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE POLICY EFFECTIVE DATE, THE APPLICANT WILL NOTIFY THE UNDERWRITER, WHO MAY MODIFY OR WITHDRAW ANY QUOTATION OR AGREEMENT TO BIND INSURANCE.

THE UNDERSIGNED DECLARES THAT THE PERSON(S) AND ENTITY(IES) PROPOSED FOR THIS INSURANCE UNDERSTAND THAT:

- (I) THE POLICY FOR WHICH THIS APPLICATION IS MADE APPLIES ONLY TO "CLAIMS" FIRST MADE OR DEEMED MADE DURING THE "POLICY PERIOD," OR ANY EXTENDED REPORTING PERIOD;
- (II) THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED, AND MAY BE EXHAUSTED, BY "DEFENSE EXPENSES," AND, IN SUCH EVENT, THE UNDERWRITER WILL NOT BE RESPONSIBLE FOR THE CONTINUED "DEFENSE EXPENSES" OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT TO THE EXTENT THAT ANY OF THE FOREGOING EXCEED ANY APPLICABLE LIMIT OF LIABILITY; AND
- (III) "DEFENSE EXPENSES" WILL BE APPLIED AGAINST THE RETENTION.

NOTICE TO APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER 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 THE PERSON TO CRIMINAL AND (NY: SUBSTANTIAL) CIVIL PENALTIES. (NOT APPLICABLE IN CO, HI, NE, OH, OK, OR, VT. IN THE STATES OF DC, LA, ME AND VA, INSURANCE BENEFITS MAY ALSO BE DENIED)

ARKANSAS APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

COLORADO APPLICANTS: IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES ANY

INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

DISTRICT OF COLUMBIA APPLICANTS: 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.

FLORIDA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

HAWAII APPLICANTS: FOR YOUR PROTECTION, HAWAII LAW REQUIRES YOU TO BE INFORMED THAT PRESENTING A FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT IS A CRIME PUNISHABLE BY FINES OR IMPRISONMENT, OR BOTH.

LOUISIANA APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

KENTUCKY APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

MAINE AND VIRGINIA APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

MARYLAND APPLICANTS: ANY PERSON WHO KNOWINGLY AND WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY AND WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NEW MEXICO APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY MATERIAL FACT THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL BE ALSO SUBJECT TO A PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

OHIO APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

OKLAHOMA APPLICANTS: WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

OREGON APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD OR SOLICIT ANOTHER TO DEFRAUD AN INSURER: (1) BY SUBMITTING AN APPLICATION OR; (2) FILING A CLAIM CONTAINING A FALSE STATEMENT AS TO ANY MATERIAL FACT MAYBE VIOLATING STATE LAW.

PENNSYLVANIA APPLICANTS: 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.

SIGNATURE:	TITLE:	DATE:
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SIGNATURE:	TITLE:	DATE:
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NOTE: A POLICY CANNOT BE ISSUED UNLESS THE PROPOSAL IS PROPERLY SIGNED BY TWO INDIVIDUALS AND DATED. IF THE CHAIRMAN OF THE BOARD AND PRESIDENT ARE THE SAME INDIVIDUAL, PLEASE HAVE THE PROPOSAL SIGNED BY THE CHIEF FINANCIAL OFFICER, CHIEF OPERATING OFFICER OR GENERAL COUNSEL IN LIEU OF THE PRESIDENT.

REQUIRED INFORMATION:

BROKER NAME:	
AGENCY NAME:	
TAXPAYER ID NO.:	PRODUCER LICENSE NO. AND STATE:
PRODUCER'S ADDRESS (No., Street, City, State, and Zip:)	



DECLARATIONS

Attached to and forming part of

SmartPolicy

This insurance is effected with

<NAME OF INSURER>

**THIS IS A CLAIMS-MADE POLICY
 WITH COSTS OF DEFENSE INCLUDED IN THE LIMIT OF LIABILITY.
 PLEASE READ THE ENTIRE POLICY CAREFULLY.**

ITEM 1. **Corporation** (name and address):

ITEM 2. **Policy Period:**

From: <INCEPTION DATE>
 To: <EXPIRATION DATE>
 At 12:01 a.m. at the address shown in ITEM 1 above

ITEM 3. **Defense Option:**

Duty to Defend No Duty to Defend

ITEM 4. **Coverage Parts Issued as Part of This Policy:**

- DIRECTORS AND OFFICERS LIABILITY
 - Optional Entity Coverage under INSURING AGREEMENT C
 - Optional Investigation Costs Coverage under INSURING AGREEMENT D

- EMPLOYMENT PRACTICES LIABILITY
 - Optional Third Party Coverage

- FIDUCIARY LIABILITY
 - Optional Settlement Program Coverage

ITEM 5. **Limits of Liability:**

- a. \$<AMOUNT> maximum aggregate limit of liability for all **Loss**, including **Costs of Defense**, under DIRECTORS AND OFFICERS LIABILITY Coverage Part, if purchased

- i. \$<AMOUNT> maximum aggregate limit of liability for all **Investigation Costs** under Optional Investigation Costs Coverage under DIRECTORS AND OFFICERS LIABILITY Coverage Part, if purchased
- ii. \$<AMOUNT> Additional Excess Aggregate Limit of Liability Dedicated for Directors and Officers
- b. \$<AMOUNT> maximum aggregate limit of liability for all **Loss**, including **Costs of Defense**, under EMPLOYMENT PRACTICES LIABILITY Coverage Part, if purchased
- c. \$<AMOUNT> maximum aggregate limit of liability for all **Loss**, including **Costs of Defense**, under FIDUCIARY LIABILITY Coverage Part, if purchased
 - i. \$<AMOUNT> maximum aggregate limit of liability for all **Settlement Program Expenditures** under Optional Settlement Program Coverage under FIDUCIARY LIABILITY Coverage Part, if purchased
- d. \$<AMOUNT> maximum aggregate limit of liability for all **Loss**, including **Costs of Defense**, under this Policy

ITEM 6. **Retentions:**

- a. Under DIRECTORS AND OFFICERS LIABILITY Coverage Part, if purchased:
 - (i) \$<AMOUNT> each **Claim** under Insuring Agreement A
 - (ii) \$<AMOUNT> each **Claim** under Insuring Agreement B
 - (iii) \$<AMOUNT> each **Claim** under Insuring Agreement C
 - (iv) \$<AMOUNT> each **Claim** under Insuring Agreement D
- b. \$<AMOUNT> each **Claim** under EMPLOYMENT PRACTICES LIABILITY Coverage Part, if purchased
- c. \$<AMOUNT> each **Claim** under FIDUCIARY LIABILITY Coverage Part, if purchased

ITEM 7. **Prior and Pending Date:**

- a. Under DIRECTORS AND OFFICERS LIABILITY Coverage Part, if purchased:
- b. Under EMPLOYMENT PRACTICES LIABILITY Coverage Part, if purchased:
- c. Under FIDUCIARY LIABILITY Coverage Part, if purchased:

ITEM 8. **Premium:**

ITEM 9. **Discovery:**

ITEM 10. **Waiver of Recourse Premium:**

ITEM 11. **Forms and Endorsements Attached at Issuance:**

DIRECTORS AND OFFICERS LIABILITY COVERAGE PART

THIS IS A CLAIMS-MADE POLICY WITH COSTS OF DEFENSE INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the insurance company shown in the Declarations (the "Insurer"), including the statements made in the **Proposal Form**, and subject to all terms, conditions and limitations of this Policy, the **Insureds** and the Insurer agree:

Section I. Insuring Agreements

- A. The Insurer will pay to or on behalf of the **Insured Persons** all **Loss** which the **Insured Persons** are legally obligated to pay as a result of a **Claim** first made against the **Insured Persons** during the **Policy Period** or the Discovery Period, if purchased, for a **Wrongful Act** by the **Insured Persons**, except for **Loss** which the **Company** actually pays as advancement or indemnification.
- B. The Insurer will pay to or on behalf of the **Company** all **Loss** which the **Insured Persons** are legally obligated to pay as a result of a **Claim** first made against the **Insured Persons** during the **Policy Period** or the Discovery Period, if purchased, for a **Wrongful Act** by the **Insured Persons**, but only to the extent the **Company** is required or permitted by law to pay such **Loss** to or on behalf of the **Insured Persons** as advancement or indemnification.
- C. If it is stated in ITEM 4 of the Declarations that the Optional Entity Coverage under INSURING AGREEMENT C of this Coverage Part has been purchased, the Insurer will pay to or on behalf of the **Company** all **Loss** which the **Company** is legally obligated to pay as a result of a **Claim** first made against it during the **Policy Period** or the Discovery Period, if purchased, for a **Wrongful Act** by the **Company**.
- D. If it is stated in ITEM 4 of the Declarations that the Optional Investigation Costs Coverage under INSURING AGREEMENT D of this Coverage Part has been purchased, the Insurer will pay to, or on behalf of the **Company**, **Investigation Costs** which the **Company** is legally obligated to pay as a result of a **Derivative Demand** first received by the **Company** during the **Policy Period** or the Discovery Period, if purchased.

Section II. Definitions

- A. For purposes of this Coverage Part, the term "**Claim**" will include an administrative or regulatory investigation of an **Insured Person** which is commenced by the filing or issuance of a notice of charges, formal investigative order or similar document specifically identifying in writing such **Insured Person** as a person against whom a **Claim**, as defined in Section II.A of the GENERAL TERMS AND CONDITIONS, may be brought. "**Claim**" will also include an extradition order or similar document.
- B. "**Derivative Demand**" will mean any written demand by or on behalf of any holder of securities issued by the **Company**, in his or her capacity as such, made upon the board of directors or managers of the **Company** to bring a civil proceeding against one or more of the **Insured Persons** for a **Wrongful Act**, but only if such demand is made totally independently of, and without the solicitation, assistance, active participation or intervention of, the **Company** or any **Insured Person**.
- C. "**Employee**" will mean:
 - 1. any individual whom the **Company** compensates by wages, salary and/or commissions and whose labor or service is directed by the **Company**, whether such individual performs such labor or service on a full-time, part-time, seasonal or temporary basis;

2. any individual who performs labor or services for the **Company** as a volunteer; and
 3. any individual who is leased or loaned to the **Company** to perform labor or service for the **Company**, but only if the **Company** provides indemnification to such individual in the same manner and to the same extent as to its other **Employees**.
- D.** For purposes of this Coverage Part, the term “**Insured**” will mean the **Company** and all **Insured Persons**.
- E.** For purposes of this Coverage Part, the term “**Insured Person**” will mean:
1. any past, present or future duly elected or appointed director, officer or member of the board of managers or management committee of the **Company**;
 2. any in-house general counsel of the **Company**;
 3. any executive of the **Company** located outside of the United States of America who holds a position with respect to the **Company** equivalent to any position described in Sections II.C.1 or II.C.2 above; or
 4. any **Employee**.
- F.** “**Investigation Costs**” will mean reasonable and necessary expenses incurred by the **Company** or any committee of the **Company’s** board of directors or managers in the investigation and evaluation of a **Derivative Demand**; provided, however, that **Investigation Costs** will not include salaries, wages, overhead or benefit expenses associated with any **Insured**.
- G.** For purposes of this Coverage Part, the term “**Loss**” will include pre-and post-judgment interest and, if it is stated in ITEM 4 that Optional Investigation Costs Coverage has been purchased, **Investigation Costs**. “**Loss**” shall not include any portion of damages, judgments or settlements arising out of any **Claim** alleging that the **Company** paid an inadequate price or consideration for the purchase of the **Company’s** securities.
- With respect to any **Claim** arising out of any Public or Private Offering of Securities of the **Company**, the Insurer shall not assert that the portion of any settlement and/or **Costs of Defense** of that **Claim** which relates to any alleged violations of Section 11 or 12 of the Securities Act of 1933, as amended, constitutes uninsurable loss and shall treat that portion of such settlement and/or **Cost of Defense** as constituting **Loss** under the Policy.
- H.** “**Outside Capacity**” will mean service by an **Insured Person** as a director, officer, trustee, regent, governor or equivalent executive of an **Outside Entity**, but only if such service is with the knowledge and consent of, or at the request of, the **Company**.
- I.** “**Outside Entity**” will mean any corporation or organization other than the **Company** which is exempt from taxation under Sections 501(c)(3) - (10), 501(c)(19), 501(d) or 509(a)(1) – (3) of the Internal Revenue Code of 1986, as amended, or any rule or regulation promulgated thereunder.
- J.** For purposes of this Coverage Part, the term “**Wrongful Act**” will mean:
1. any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty by any **Insured Person** in his or her capacity as such with the **Company**;
 2. any matter claimed against any **Insured Person** solely by reason of his or her status with the **Company**;
 3. any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty by any **Insured Person** in his or her **Outside Capacity**; or

4. with respect only to coverage under INSURING AGREEMENT C, if purchased, any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty by the **Company**.

Section III. Exclusions

- A. The Insurer will not be liable under this Coverage Part to make any payment of **Loss**, including **Costs of Defense**, in connection with any **Claim** made against any **Insured**:
 1. brought about or contributed to by:
 - a. the gaining by any **Insured** of any profit, advantage or remuneration to which such **Insured** was not legally entitled; or
 - b. the deliberately fraudulent or criminal acts of any **Insured**;provided, however: (i) this exclusion shall only apply if it is finally adjudicated such conduct in fact occurred; (ii) this exclusion shall not apply to coverage provided under INSURING AGREEMENT B; and (iii) sub-paragraph (a) of this exclusion above shall not apply to any **Claim** arising out of an initial public offering, secondary public offering, a follow-on public offering, or private placement offering of securities of the **Company**;
 2. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any **Wrongful Act** or **Related Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice given under any other policy of which this Coverage Part is a renewal or replacement;
 3. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any prior and/or pending civil, criminal, administrative or investigative proceeding involving the **Company**, any **Insured** as of the Prior and Pending Date stated in ITEM 7 of the Declarations, or any fact, circumstance or situation underlying or alleged in such proceeding;
 4. for any actual or alleged:
 - a. bodily injury, sickness, disease or death of any person, mental anguish, emotional distress, invasion of privacy, trespass, nuisance, wrongful entry or eviction, assault, battery, loss of consortium, false arrest, false imprisonment, malicious prosecution, abuse of process, libel, defamation or slander; or
 - b. damage to or destruction of any tangible property, including the loss of use thereof;
 5. for any actual or alleged violation of the Employee Retirement Income Security Act of 1974, as amended, or any rules or regulations promulgated thereunder;
 6. for any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty by any **Insured Person** in his or her capacity as an **Employee**, director, officer, trustee, regent, governor or equivalent executive of any entity other than the **Company** or an **Outside Entity**, even if directed or requested by the **Company** to serve in such capacity;
 7. for any **Wrongful Act** of any **Insured Person** in his or her **Outside Capacity** with respect to any **Outside Entity**, if such **Claim** is brought by or on behalf of the **Outside Entity** or any **Employee**, director, officer, trustee, regent, governor or equivalent executive thereof;
 8. by or on behalf of any **Insured** or any security holder of the **Company**; provided, however, that this exclusion shall not apply to any **Claim**:

- (a) brought by any **Insured** where such **Claim** is in the form of a cross-claim or third party claim for contribution or indemnity which is part of and results directly from a **Claim** which is not otherwise excluded by the terms of this Coverage Part; or
 - (b) brought by any security holder of the **Company**, whether directly or derivatively, if the security holder bringing such **Claim** is acting totally independently of, and without the solicitation, assistance, active participation or intervention of, the **Company** or any **Insured Person**;
 - (c) brought in any bankruptcy proceeding by or against any entity included within the term "**Company**" by any creditors committee, examiner, trustee, receiver, liquidator or rehabilitator appointed with respect to such entity;
 - (d) brought by any **Insured Person** who has neither served in such capacity nor as consultant to any entity included within the term "**Company**" for at least three (3) years prior to such **Claim** having been first made;
 - (e) brought by any **Insured Person** of any entity included within the term "**Company**" formed and operating outside the United States of America or any of its territories or possessions against such **Company** or any **Insured Person** thereof, if such **Claim** is brought and maintained outside the United States of America, Canada or any other common law jurisdiction; or
 - (f) arises out of, is based upon, or is attributable to any whistleblower activity, including but not limited to any such activity protected under the Sarbanes-Oxley Act of 2002, the False Claims Act, or any similar federal, state, local or foreign law or statute;
9. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged seepage, pollution, radiation, emission or contamination of any kind; provided, however, that this exclusion shall not apply to any **Claim** alleging any violation of the securities laws of the United States of America, brought by a security holder of the **Company** if the security holder bringing such **Claim** is acting totally independently of, and without the solicitation, assistance, active participation or intervention of, the **Company** or any **Insured Person**;
10. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any initial public offering of the **Company's** securities or any registration statement or prospectus related thereto; provided, however, that if such initial public offering is not completed or consummated, this exclusion will not apply to **Wrongful Acts** in connection with the **Company's** preparation for such initial public offering, including any related road show, or its failure to go public.
11. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving the performance by any **Insured** of professional services for others for a fee or other compensation or remuneration; provided, however, that this exclusion will not apply to any **Claim** brought by a security holder of the **Company**, alleging any violation of the securities laws of the United States of America, if the security holder bringing such **Claim** is acting totally independently of, and without the solicitation, assistance, active participation or intervention of, the **Company** or any **Insured Person**, or brought by a security holder of the **Company** alleging that the **Insured Persons** failed to supervise or manage or were negligent in supervising or managing the **Insureds'** performance of professional services for others for a fee or other compensation or remuneration;
12. for any **Wrongful Act** of any **Subsidiary** or the **Insured Persons** of such **Subsidiary** or any entity that merges with the **Company** or the **Insured Persons** of such entity that merges with the **Company** occurring:
- a. prior to the date such entity became a **Subsidiary** or was merged with the **Company**;

- b. subsequent to the date such entity became a **Subsidiary** or was merged with the **Company** which, together with a **Wrongful Act** occurring prior to the date such entity became a **Subsidiary** or was merged with the **Company**, would constitute **Related Wrongful Acts**; or
- c. subsequent to the date the **Corporation** ceased to own, directly or indirectly, more than fifty percent (50%) of the voting stock of such **Subsidiary**.

B. The Insurer will not be liable under the Optional Entity Coverage under INSURING AGREEMENT C, if purchased, to make any payment of **Loss**, including **Costs of Defense**, in connection with any **Claim** made against the **Company**:

- 1. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any liability under any contract or agreement; provided, however, that this exclusion will not apply to the extent the **Company** would have been liable in the absence of such contract or agreement;
- 2. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged:
 - a. wrongful dismissal, discharge or termination;
 - b. sexual or other workplace harassment, including quid pro quo and hostile work environment;
 - c. unlawful employment discrimination;
 - d. employment-related invasion of privacy, defamation (including libel and slander) or negligent or intentional infliction of emotional distress;
 - e. failure of the **Company** to create, provide for or enforce adequate or consistent employment-related policies;
 - f. retaliatory treatment on account of an **Employee's** exercise or attempted exercise of his or her employment-related rights under law, including but not limited to Sections 806 and 1107 of the Sarbanes - Oxley Act of 2002;
 - g. violation of employment-related civil rights relating to any of the above; or
 - h. violation of the Family and Medical Leave Act of 1993;
- 3. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged infringement or misappropriation of copyright, patent, trademark, trade name, trade dress, service mark, trade secrets or other intellectual property, however this exclusion will not apply to a **Claim** alleging any violation of the securities laws of the United States, brought by a security holder of the **Company** if the security holder bringing such **Claim** is acting totally independently of, and without the solicitation, assistance, active participation or intervention of, the **Company** or any **Insured Person**;
- 4. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged price fixing, restraint of trade, monopolization, unfair trade practices or violation of the Federal Trade Commission Act, the Sherman Anti-Trust Act, the Clayton Act, or any other statute or law regulating anti-trust, monopoly, price fixing, price discrimination, predatory pricing or activities in restraint of trade.

- C. For the purpose of determining the applicability of the foregoing exclusions, no **Wrongful Act** of any **Insured Person** shall be imputed to any other **Insured Person**, and only the **Wrongful Acts** of any president, chief executive officer or chief financial officer of the **Company** shall be imputed to the **Company**.

Section IV. Claims Against Insured Persons for Wrongful Acts in Their Outside Capacity

- A. In the event a **Claim** is made against an **Insured Person** for **Wrongful Acts** in his or her **Outside Capacity** with respect to any **Outside Entity**, the coverage afforded under this Coverage Part in respect of such **Claim** will be specifically excess of, and will not contribute with, any insurance available to such **Insured Person** from such **Outside Entity** and any advancement or indemnification such **Outside Entity** is required or permitted to make to such **Insured Person**. If the Insurer shall have issued any policy or policies of insurance to such **Outside Entity**, payment by the Insurer under any such policy in respect of such **Claim** will reduce and may therefore exhaust, by the amount of such payment, the Insurer's Limit of Liability available under this Coverage Part for such **Claim**.
- B. For purposes of this Section IV, the certificate of incorporation, charter or other organizational documents of each **Outside Entity**, including by-laws and resolutions, will be deemed to require advancement and indemnification of **Loss** to such **Outside Entity's** directors, officers, trustees, regents, governors and equivalent executives to the fullest extent permitted by law.

Section V. Additional Excess Aggregate Limit of Liability

- A. Notwithstanding anything in this Policy or this Coverage Part to the contrary, the Additional Excess Aggregate Limit of Liability Dedicated for Directors and Officers will be an additional Excess Limit of Liability in an aggregate amount not to exceed the amount stated in Item 5.a.ii of the Declarations, which amount is in addition to and not part of the Limits of Liability stated in Item 5.a. of the Declarations.

In the event the Additional Excess Aggregate Limit of Liability Dedicated for Directors and Officers is exhausted by payment of **Loss**, or has been tendered to or on behalf of Directors and Officers, then any and all obligations of the Insurer hereunder shall be deemed to be completely fulfilled and extinguished.

- B. No coverage shall be provided by Section V of this Coverage Part for the first **Claim** made for which coverage is provided under this Coverage Part. This Additional Excess Aggregate Limit of Liability Dedicated for Directors and Officers is available solely for **Loss** resulting from any subsequent **Claim** that is covered under INSURING AGREEMENT A of this Coverage Part. The first **Claim** made for which coverage is provided under this Coverage Part shall be determined by the chronological time such **Claim** was made regardless of when coverage is acknowledged by the Insurer.
- C. The Additional Excess Aggregate Limit of Liability Dedicated for Directors and Officers shall be excess of any insurance available to pay **Loss** for such **Claims**, including this Policy and all insurance that is specifically excess to this Policy. Such excess insurance must be completely exhausted by payment of loss, damages or costs of defense, as those terms are defined by such excess insurance, before the Insurer shall have any obligation to make any payment on account of the Additional Excess Aggregate Limit of Liability Dedicated for Directors and Officers.
- D. For purposes of this provision only, Directors and Officers shall only mean:
1. any past, present or future duly elected or appointed director, officer or member of the board of managers or management committee of the **Company**;
 2. any in-house general counsel of the **Company**; or

3. any executive of the **Company** located outside of the United States of America who holds a position with respect to the **Company** equivalent to any position described in Sections V.D.1 or V.D.2 above.

Section VI. Waiver of Retention under Certain Circumstances

- A. No retention will apply under this Coverage Part to **Loss**, including **Costs of Defense**, incurred by the **Insured Persons** if advancement or indemnification of such **Loss** by the **Company** is neither required nor permitted under applicable law or, if advancement or indemnification of such **Loss** by the **Company** is required or permitted under applicable law, such advancement or indemnification is not made solely by reason of the **Company's Financial Insolvency**.
- B. If, in connection with any **Claim**, a final adjudication, with prejudice, pursuant to a trial, motion to dismiss or motion for summary judgment or a complete and final settlement, with prejudice, establishes that no **Insured** is liable for any **Loss** in connection with such **Claim**, no retention will apply to **Costs of Defense** incurred in connection with such **Claim** and, subject to all other terms, conditions and limitations of this Policy applicable to this Coverage Part, the Insurer will reimburse the **Insureds** for any covered **Costs of Defense** paid by them in connection with such **Claim**.

Section VII. Sub-Limit of Liability and Retention Applicable to Investigation Costs

- A. The Insurer's maximum aggregate Limit of Liability for **Investigation Costs** will be the amount set forth in ITEM 5.a.i of the Declarations, which amount will be part of, and not in addition to, the Insurer's maximum aggregate Limit of Liability for all **Loss** under this Coverage Part as set forth in ITEM 5.a of the Declarations.
- B. No retention amount will apply to **Investigation Costs** payable under this Coverage Part.

Section VIII. Order of Payments

- A. **Loss**, including **Costs of Defense**, covered under this Coverage Part will be paid by the Insurer in the following order:
 1. first, the Insurer will pay such **Loss**, including **Costs of Defense**, covered under INSURING AGREEMENT A of this Coverage Part;
 2. with respect to whatever amount of the Insurer's Limit of Liability under this Coverage Part remains after the payment of **Loss**, including **Costs of Defense**, covered under INSURING AGREEMENT A of this Coverage Part, the Insurer will then pay such **Loss**, including **Costs of Defense**, covered under INSURING AGREEMENT B of this Coverage Part; and
 3. with respect to whatever amount of the Insurer's Limit of Liability under this Coverage Part remains after the payment of **Loss**, including **Costs of Defense**, covered under INSURING AGREEMENTS A and B of this Coverage Part, the Insurer will then pay such **Loss**, including **Costs of Defense**, covered under INSURING AGREEMENT C of this Coverage Part; and
 4. with respect to whatever amount of the Insurer's Limit of Liability under this Coverage Part remains after the payment of **Loss**, including **Costs of Defense**, covered under INSURING AGREEMENTS A, B and C of this Coverage Part, the Insurer will then pay such other **Loss**, including **Costs of Defense**, covered under this Coverage Part.
- B. Nothing in this Section VIII is intended, nor shall it be construed, to increase the Insurer's maximum aggregate Limit of Liability applicable to **Loss**, including **Costs of Defense**, under this Coverage Part.

EMPLOYMENT PRACTICES LIABILITY COVERAGE PART

**THIS IS A CLAIMS-MADE POLICY
WITH COSTS OF DEFENSE INCLUDED IN THE LIMIT OF LIABILITY.
PLEASE READ THE ENTIRE POLICY CAREFULLY.**

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the insurance company shown in the Declarations (the "Insurer"), including the statements made in the **Proposal Form**, and subject to all terms, conditions and limitations of this Policy, the **Insureds** and the Insurer agree:

Section I. Insuring Agreement

The Insurer will pay to or on behalf of the **Insureds** all **Loss** which the **Insureds** are legally obligated to pay as a result of a **Claim** first made against the **Insureds** during the **Policy Period** or the Discovery Period, if purchased, for a **Wrongful Act** by an **Insured** in his, her or its capacity as such.

Section II. Definitions

- A.** For purposes of this Coverage Part, the term "**Claim**" will include a formal administrative or regulatory proceeding by or before the Equal Employment Opportunity Commission or any similar federal, state or other governmental agency which is commenced by the receipt by an **Insured** of a notice of charges, formal investigative order or similar document and an audit conducted by the Office of Federal Contract Compliance Programs which is commenced by the receipt by an **Insured** of a notice of violation, order to show cause or written demand for monetary or injunctive relief, but **Claim** will not include any labor or grievance arbitration or other proceeding which is subject to a collective bargaining agreement.
- B.** "**Employee**" will mean:
1. any individual whom the **Company** compensates by wages, salary and/or commissions and whose labor or service is directed by the **Company**, whether such individual performs such labor or service on a full-time, part-time, seasonal or temporary basis;
 2. any individual who performs labor or services for the **Company** as a volunteer;
 3. any individual who is leased or loaned to the **Company** to perform labor or service for the **Company**, but only if the **Company** provides indemnification to such individual in the same manner and to the same extent as to its other **Employees**; and
 4. any individual contracted to perform work for the **Company** or who is an independent contractor for the **Company**, but only if, prior to any **Claim** against such individual, the **Company** shall have agreed in writing to provide indemnification to such individual for matters within the scope of coverage of this Coverage Part, and the **Company** shall have paid any additional premium required by the Insurer in connection with such individual.
- C.** For purposes of this Coverage Part, the term "**Insured**" will mean the **Company** and all **Insured Persons**.
- D.** For purposes of this Coverage Part, the term "**Insured Person**" will mean:
1. any duly elected or appointed principal, partner, director, officer, trustee, in-house general counsel, risk manager or member of the board of managers or management committee of the **Company**;

2. any executive of the **Company** located outside of the United States of America who holds a position with respect to the **Company** equivalent to any position described in Sections II.D.1 above; or
3. any **Employee**.

E. For purposes of this Coverage Part, the term “**Loss**” will include awards of front pay and back pay and liquidated damages awarded pursuant to the Age Discrimination in Employment Act or the Equal Pay Act, but **Loss** will not include:

1. any costs associated with the modification of any building or property to provide any reasonable accommodations required by or made as a result of or to conform with the requirements of the Americans with Disabilities Act, the Civil Rights Act of 1964 or any similar federal, state or local law; or
2. any compensation, including benefits, for any person hired, promoted or reinstated pursuant to a judgment, settlement, order or other resolution of a Claim.

F. “**Third Party Wrongful Act**” will mean any actual or alleged:

1. discrimination against any natural person, other than an **Employee** or applicant for employment with the **Company**, who is a customer, vendor, service provider or other business invitee of the **Company**, based on such person’s age, gender, race, color, national origin, religion, creed, marital status, sexual orientation or preference, pregnancy, disability, HIV or other health status, Vietnam Era veteran or other military status, or other protected status or characteristic under federal, state or local law; or
2. sexual harassment, including unwelcome sexual advances, requests for sexual favors or other offensive conduct of a sexual nature, against any natural person, other than an **Employee** or applicant for employment with the **Company**, who is a customer, vendor, service provider or other business invitee of the **Company**.

G. For purposes of this Coverage Part, the term “**Wrongful Act**” will mean:

1. any actual or alleged:
 - a. wrongful dismissal, discharge or termination (whether actual, constructive or retaliatory) of employment, wrongful failure or refusal to hire or promote, wrongful discipline or demotion, wrongful deprivation of career opportunity, negligent employment evaluation or failure to grant tenure;
 - b. sexual or other workplace harassment, including quid pro quo and hostile work environment;
 - c. unlawful employment discrimination, including discrimination based on a person’s age, gender, race, color, national origin, religion, creed, marital status, sexual orientation or preference, pregnancy, disability, HIV or other health status, Vietnam Era veteran or other military status, or other protected status or characteristic under federal, state or local law, including but not limited to:
 - Title VII of the Civil Rights Act of 1964;
 - the Equal Pay Act of 1963;
 - the Age Discrimination Act of 1967;
 - Sections 501 and 502 of the Rehabilitation Act of 1973;
 - the Uniformed Services Employment and Reemployment Rights Act; and
 - Titles I and IV of the Americans with Disabilities Act of 1990;

- d. employment-related invasion of privacy, defamation (including libel and slander) or negligent or intentional infliction of emotional distress;
 - e. failure of the **Company** to create, provide for or enforce adequate or consistent employment-related policies;
 - f. retaliatory treatment on account of an **Employee's** exercise or attempted exercise of his or her employment-related rights under law, including but not limited to Sections 806 and 1107 of the Sarbanes-Oxley Act of 2002;
 - g. violation of employment-related civil rights relating to any of the above; or
 - h. violation of the Family and Medical Leave Act of 1993;
- committed or attempted, or allegedly committed or attempted, with respect to an **Employee** or an applicant for employment with the **Company**; and
- 2. if it is stated in ITEM 4 of the Declarations that the Optional Third Party Coverage under this Coverage Part has been purchased, any **Third Party Wrongful Act**.

Section III. Exclusions

- A. The Insurer will not be liable under this Coverage Part to make any payment of **Loss**, including **Costs of Defense**, in connection with any **Claim** made against any **Insured**:
 - 1. brought about or contributed to by:
 - a. the gaining by any **Insured** of any profit, advantage or remuneration to which such **Insured** was not legally entitled; or
 - b. the deliberately fraudulent or criminal acts of any **Insured**;

provided, however, this exclusion will apply only if it is finally adjudicated that such conduct in fact occurred;
 - 2. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any **Wrongful Act** or **Related Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice given under any other policy of which this Coverage Part is a renewal or replacement;
 - 3. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any prior and/or pending civil, criminal, administrative or investigative proceeding or Office of Federal Contract Compliance Programs audit involving any **Insured** as of the Prior and Pending Date stated in ITEM 7 of the Declarations, or any fact, circumstance or situation underlying or alleged in any such proceeding or audit;
 - 4. for any actual or alleged;
 - a. bodily injury, sickness, disease or death of any person (other than employment-related mental anguish, emotional distress or humiliation), invasion of privacy, trespass, nuisance, wrongful entry or eviction, assault, battery, loss of consortium, false arrest, false imprisonment, malicious prosecution or abuse of process; or
 - b. damage to or destruction of any tangible property, including the loss of use thereof;
 - 5. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any **Insured Person's** activities as an employee, director, officer, trustee, regent, governor or equivalent executive of any employee trust, charitable or other organization, corporation, company or business other than the **Company**;

6. for recovery of any amounts owing under, or assumed by any **Insured** pursuant to, any contract with an independent contractor, express contract of employment or any express obligation to make payments in the event of a termination of employment; provided, that this exclusion will not apply to liability which an **Insured** would have had in the absence of such express contract or obligation;
7. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any stock, stock options or stock appreciation rights, whether vested or unvested, including without limitation restricted stock, to which any claimant is or is alleged to be entitled pursuant to a plan or agreement with the **Company**;
8. for compensation earned by any claimant in the course of employment but not paid for any reason by the **Company**, including any unpaid salary, wages, bonuses, overtime, severance pay, retirement benefits, prerequisites, fringe benefits, vacation days, sick days and medical benefits or insurance to which a claimant is or is alleged to be entitled had the **Company** provided the claimant with a continuation or conversion of such benefits or insurance (or the equivalent value of any such compensation or benefits allegedly earned but not paid);
9. Based upon, arising out of, or attributable to directly or indirectly, in connection with, related to or in any way involving any Claims alleging violations of any federal, state or local wage and hour law;
10. for any actual or alleged violation of the responsibilities, obligations or duties imposed on any **Insured** by any workers' compensation, unemployment compensation, disability, retirement, social security or other employment benefit statute, rule or law, including but not limited to the Employee Retirement Income Security Act of 1974, the Worker Adjustment and Retraining Notification Act, the Fair Labor Standards Act (except the Equal Pay Act of 1963), the Occupational Safety and Health Act or the Consolidated Omnibus Budget Reconciliation Act of 1985 or any similar state laws; provided, that this exclusion will not apply to any allegation of any retaliatory treatment on account of an **Employee's** exercise or attempted exercise of his or her employment-related rights under any of the foregoing;
11. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged seepage, pollution, radiation, emission or contamination of any kind; provided, however, that this exclusion will not apply to any allegation of any retaliatory treatment on account of an **Employee's** exercise or attempted exercise of his or her employment-related rights;
12. for any **Wrongful Act** of any **Subsidiary** or the **Insured Persons** of such **Subsidiary** or any entity that merges with the **Company** or the **Insured Persons** of such entity that merges with the **Company** occurring:
 - a. prior to the date such entity became a **Subsidiary** or was merged with the **Company**;
 - b. subsequent to the date such entity became a **Subsidiary** or was merged with the **Company** which, together with a **Wrongful Act** occurring prior to the date such entity became a **Subsidiary** or was merged with the **Company**, would constitute **Related Wrongful Acts**; or
 - c. subsequent to the date the **Corporation** ceased to own, directly or indirectly, more than fifty percent (50%) of the voting stock of such **Subsidiary**;

B. The Insurer will not be liable under the Optional Third Party Coverage under this Coverage Part, if purchased, to make any payment of **Loss**, including **Costs of Defense**, in connection with any **Claim** made against any **Insured** for any **Third Party Wrongful Act** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged price fixing, restraint of trade, monopolization, unfair trade practices or violation of the Federal Trade

Commission Act, the Sherman Anti-Trust Act, the Clayton Act, or any other statute or law regulating anti-trust, monopoly, price fixing, price discrimination, predatory pricing or activities in restraint of trade.

- C. For the purpose of determining the applicability of the foregoing exclusions, no **Wrongful Act** of any **Insured Person** shall be imputed to any other **Insured Person**. The **Wrongful Acts** of any past, present or future chairman of the board, president, chief executive officer, chief operating officer or chief financial officer of the **Company** shall be imputed to the **Company**.

Section IV. Coordination of Coverage

- A. If a **Claim** made against the **Insureds** is covered under this Coverage Part and under any other Coverage Part forming a part of this Policy, the Insurer will first pay **Loss**, including **Costs of Defense**, in connection with such **Claim** under this Coverage Part, and then, with respect to whatever amount of the Insurer's limit of liability under this Policy remains after the payment of **Loss**, including **Costs of Defense**, covered under this Coverage Part, the Insurer will pay such **Loss**, including **Costs of Defense**, which is covered under any other Coverage Part forming a part of this Policy.
- B. If notice of a **Claim** has been given under any other Coverage Part forming a part of this Policy and the Insurer determines that such **Claim** would be covered under this Coverage Part had notice been given hereunder, the **Insureds** will be deemed to have given notice of such **Claim** under this Coverage Part at the same time that notice of such **Claim** was given under such other Coverage Part.

Section V. Waiver of Retention under Certain Circumstances

No retention will apply under this Coverage Part to **Loss**, including **Costs of Defense**, incurred by the **Insured Persons** if advancement or indemnification of such **Loss** by the **Company** is neither required nor permitted under applicable law or, if advancement or indemnification of such **Loss** by the **Company** is required or permitted under applicable law, such advancement or indemnification is not made solely by reason of the **Company's Financial Insolvency**.

Section VI. Investigation and Settlement

The Insurer shall have the right but not the obligation to make any investigation it deems expedient and with the consent of the **Insureds** against whom the **Claim** has been made or the **Company** on behalf of the **Insureds**, make settlement within the available Limit of Liability applicable to this Coverage Part (whether above or below the applicable Retention). If the **Insureds**, or the **Company** on behalf of the **Insureds**, shall refuse to consent to any settlement recommended by the Insurer and shall act to contest or continue any actions or proceedings in connection with such **Claim**, then, subject to the available Limit of Liability and the applicable Retention, the Insurer's liability for all **Loss** in connection with such **Claim** shall not exceed the amount for which the **Claim** could have been settled, plus the reasonable **Costs of Defense** incurred with the Insurer's consent up to the date of refusal to consent by the **Insured** and/or the **Company**.

FIDUCIARY LIABILITY COVERAGE PART

THIS IS A CLAIMS-MADE POLICY WITH COSTS OF DEFENSE INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the insurance company shown in the Declarations (the "Insurer"), including the statements made in the **Proposal Form**, and subject to all terms, conditions and limitations of this Policy, the **Insureds** and the Insurer agree:

Section I. Insuring Agreements

- A. The Insurer will pay to or on behalf of the **Insureds Damages** and **Costs of Defense** which the **Insureds** are legally obligated to pay as a result of a **Claim** first made against them during the **Policy Period** or the Discovery Period, if purchased, for a **Wrongful Act** by the **Insureds** or by any person or entity for whose **Wrongful Acts** the **Insureds** are or are alleged to be legally responsible.
- B. If it is stated in ITEM 4 of the Declarations that the Optional Settlement Program Coverage under this Coverage Part has been purchased, the Insurer will pay to or on behalf of the **Insureds** those **Settlement Program Expenditures** incurred by the **Insureds** as a result of correcting an **Insured's** unintentional noncompliance with any federal statute, rule or regulation applicable to a **Plan**, but only if such unintentional noncompliance first becomes known to the **Insureds** during the **Policy Period** or the Discovery Period, if purchased.

Section II. Definitions

- A. "**Administration**" will mean giving advice to participants and beneficiaries with respect to any **Plan**, interpreting any **Plan**, handling records in connection with any **Plan**, or effecting enrollment, termination or cancellation of participants under any **Plan**.
- B. For purposes of this Coverage Part, the term "**Claim**" will include a written notice received by an **Insured** from the Department of Labor or the Pension Benefit Guaranty Corporation of the commencement of an investigation.
- C. "**Damages**" will mean monetary damages (including punitive or exemplary damages and the multiple portion of any multiple damage award if and to the extent that such damages are insurable under the law of that jurisdiction applicable to the **Claim** giving rise to such damages that is most favorable to the insurability thereof), judgments (including pre- and post-judgment interest, if any) or settlements which an **Insured** is legally obligated to pay as a result of a **Claim**; provided, that **Damages** will not include any fines, taxes or penalties other than:
 - 1. civil penalties or excise tax imposed pursuant to Section 502(c) of the Employee Retirement Income Security Act of 1974 ("ERISA") and the Pension Protection Act of 2006;
 - 2. civil penalties of up to five percent (5%) imposed pursuant to Section 502(i) of ERISA;
 - 3. civil penalties of up to twenty percent (20%) of any settlement or judgment imposed pursuant to Section 502(l) of ERISA for breach of fiduciary duty; and
 - 4. civil fines and penalties imposed pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").
- D. For purposes of this Coverage Part, the term "**Insured**" will mean:

1. any **Plan**;
2. the **Company**;
3. the **Insured Persons**; and
4. any other entity or natural person designated as an additional **Insured** by written endorsement to this Coverage Part.

E. For purposes of this Coverage Part, the term “**Insured Person**” will mean:

1. with respect to any **Plan** or entity included within the term “**Company**,” any natural person who at any time holds or shall have held the position of director, officer, trustee, governor, management committee member, in-house general counsel or employee thereof;
2. with respect to any entity included within the term “**Company**” that is a limited liability company, any natural person who at any time holds or shall have held the position of manager, member of the Board of Managers or equivalent executive thereof;
3. with respect to any entity included within the term “**Company**” that is a partnership, any natural person who at any time holds or shall have held the position of general partner thereof; and
4. with respect to any entity included within the term “**Company**” organized or chartered in any jurisdiction other than the United States, any natural person who at any time holds or shall have held any position equivalent to any position described in Section II.E.1, 2 or 3 above.

F. For purposes of this Coverage Part, the term “**Loss**” will mean **Damages, Costs of Defense** and, if it is stated in ITEM 4 of the Declarations that the Optional Settlement Program Coverage under this Coverage Part has been purchased, **Settlement Program Expenditures**; provided, that the term “**Loss**” will not include:

1. salaries, wages, overhead or benefit expenses associated with any **Insured**; or
2. any matter which may be deemed uninsurable under the law pursuant to which this Coverage Part is construed.

G. “**Pension Benefit Plan**” will mean any employee pension benefit plan, as defined in Section 3 of ERISA.

H. “**Plan**” will mean:

1. any **Pension Benefit Plan** or **Welfare Benefit Plan** which is operated solely by the **Company** or jointly by the **Company** and a labor organization solely for the benefit of the **Company's** directors, officers, trustees, governors, management committee members, managers, members of the Board of Managers, general partners, in-house general counsel or employees located anywhere in the world;
2. any other employee benefit plan or program anywhere in the world which is not subject to ERISA and which is sponsored by the **Company** solely for the benefit of its directors, officers, trustees, governors, management committee members, managers, members of the Board of Managers, general partners, in-house general counsel or employees, including but not limited to any cafeteria plan, dependent care assistance program, fringe benefit plan, deferred compensation plan, supplemental executive retirement plan, top-hat plan, excess benefit plan or voluntary employees' beneficiary association;
3. any other plan or program otherwise described in Section II.H.1 or 2 above while such plan or program is being actively developed, formed or proposed by the **Company** prior to the formal creation of such plan or program; provided, that no coverage will be afforded under this Coverage

Part in respect of any **Claim** against any **Insured** in a settlor or similar uninsured capacity with respect to any such plan or program; and

4. any other plan, fund or program specifically identified as a **Plan** by written endorsement attached to and made a part of this Coverage Part.

However, **Plan** will not include any multi-employee plan as that term is defined by ERISA.

- I. "**Settlement Program**" will mean any voluntary compliance resolution program or similar voluntary settlement program administered by the U.S. Internal Revenue Service or the U.S. Department of Labor, including but not limited to the Employee Plans Compliance Resolution System, the Audit Closing Agreement program, the Voluntary Compliance Resolution Program, the Walk-In Closing Agreement Program, the Administrative Policy Regarding Self-Correction, the Tax Sheltered Annuity Voluntary Correction Program, the Delinquent Filer Voluntary Compliance Program and the Voluntary Fiduciary Correction Program.
- J. "**Settlement Program Expenditures**" will mean:
 1. reasonable costs, charges and expenses of attorneys, accountants and/or other professionals that are incurred solely in investigating and evaluating a **Plan's** unintentional noncompliance with any federal statute, rule or regulation applicable to such **Plan** and effecting a resolution thereof pursuant to a **Settlement Program**; and
 2. any fees, fines, penalties or sanctions paid by an **Insured** to a governmental authority pursuant to a **Settlement Program** as a result of a **Plan's** unintentional noncompliance with any federal statute, rule or regulation applicable to such **Plan** and, subject to the Insurer's approval, costs to correct a **Plan's** unintentional noncompliance with any federal statute, rule or regulation applicable to such **Plan** that are incurred by the **Plan** in connection with its participation in a **Settlement Program**.
- K. "**Welfare Benefit Plan**" will mean any employee welfare benefit plan, as such term is defined in Section 3 of ERISA.
- L. For purposes of this Coverage Part, the term "**Wrongful Act**" will mean:
 1. any actual or alleged breach of the responsibilities, obligations or duties imposed upon fiduciaries of a **Plan** by ERISA, HIPAA, the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), any amendments to any of the foregoing, the common or statutory law of any jurisdiction, domestic or foreign, governing such **Plan**, or any rules or regulations promulgated under any of the foregoing;
 2. any violation of HIPAA claimed against any **Insured** due solely to such **Insured's** service as fiduciary of any **Plan**;
 3. any negligent act, error or omission by any **Insured** in the **Administration** of any **Plan**;
 4. any other matter claimed against an **Insured Person** due solely to such **Insured Person's** service as fiduciary of any **Plan**.

Section III. Exclusions

- A. The Insurer will not be liable under this Coverage Part to make any payment of **Loss**, including **Costs of Defense**, in connection with any **Claim** made against any **Insured**:
 1. based upon, arising from or in consequence of any dishonest, fraudulent or criminal act or omission or any willful violation of any statute, rule or law by such **Insured**, or by the gaining in fact by such **Insured** of any profit, remuneration or advantage to which such **Insured** is not legally entitled, if such dishonest, fraudulent or criminal act or omission, willful violation of statute,

rule or law or the gaining in fact of such profit, remuneration or advantage shall have been established by a judgment or other final adjudication adverse to such **Insured**;

2. for any actual or alleged:
 - a. bodily injury, sickness, disease or death of any person, mental anguish, emotional distress, invasion of privacy, trespass, nuisance, wrongful entry or eviction, assault, battery, loss of consortium, false arrest, false imprisonment, malicious prosecution, abuse of process, libel, defamation or slander; or
 - b. damage to or destruction of any tangible property, including the loss of use thereof;
3. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged seepage, pollution, radiation, emission or contamination of any kind; including but not limited to any financial loss to any **Insured** or any beneficiaries, security holders or creditors thereof based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any matter described in this exclusion;
4. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged negligent act, error or omission in the **Administration** of, or failure to comply with any law concerning, workers' compensation, unemployment insurance, Social Security or disability benefits, any amendments thereto, any similar provisions of any federal, state or local statutory or common law anywhere in the world or any rules or regulations promulgated under any of the foregoing, whether or not such failure to comply is willful; provided, that this exclusion will not apply to any actual or alleged failure by any **Insured** to comply with any provision of COBRA, HIPAA, any amendments thereto or any rules or regulations promulgated thereunder;
5. based upon, arising from or in consequence of any liability of others assumed by any **Insured** under any contract or agreement, whether oral or written, other than an agreement or declaration of trust or similar agreement creating or establishing a **Plan**; provided, that this exclusion will not apply to the extent that an **Insured** would have been liable in the absence of such contract or agreement; or
6. based upon, arising from or in consequence of:
 - a. any act, error, omission, fact, circumstance, situation, transaction, event, decision, **Wrongful Act** or **Related Wrongful Act** which has been the subject of any notice given under any policy of which this Coverage Part is a renewal or replacement, or
 - b. any prior and/or pending civil, criminal, administrative or investigative proceeding involving any **Insured** as of the Prior and Pending Date stated in ITEM 7 of the Declarations, or any fact, circumstance or situation underlying or alleged in such proceeding.

B. The Insurer will not be liable under this Coverage Part to make any payment of **Damages**:

1. which constitute the return to any employer of any contributions if such amounts are or could be chargeable to a **Plan**;
2. which constitute benefits due or to become due under the terms of any **Plan** or which would be due under any **Plan** if such **Plan** were in compliance with all applicable law, except and then only if and to the extent that recovery for such benefits is based on a **Wrongful Act** by an **Insured Person** and is payable solely as the personal obligation of such **Insured Person**; or
3. based upon, arising from or in any way related to a failure to fund, or to collect contributions owed to, any **Plan**;

provided, that this Section III.B will not limit any right and duty on the part of the Insurer to defend any such **Claim** or the Insurer's obligation to pay **Costs of Defense** in connection therewith.

- C. The Insurer will not be liable under the Optional Settlement Program Coverage under this Coverage Part, if purchased, to make any payment of fees, fines, penalties or sanctions relating to a **Plan** if, as of the earlier of the inception date of this Policy as stated in ITEM 2 of the Declarations or the inception date of any policy of insurance issued by the Insurer of which this Coverage Part is a renewal or replacement, any **Insured Person** knew of the actual or alleged noncompliance of such **Plan** with any statute, rule or regulation in respect of which such fees, fines, penalties or sanctions are owed.
- D. No **Wrongful Act** of any **Insured** will be imputed to any other **Insured** to determine the application of any of the above exclusions.

Section IV. Waiver of Retention

No retention will apply under this Coverage Part to **Loss**, including **Costs of Defense**, incurred by the **Insured Persons** if advancement or indemnification of such **Loss** by the **Company** is neither required nor permitted under applicable law or, if advancement or indemnification of such **Loss** by the **Company** is required or permitted under applicable law, such advancement or indemnification is not made solely by reason of the **Company's Financial Insolvency**.

Section V. Sub-Limit of Liability and Retention Applicable to Settlement Program Expenditures

If it is stated in ITEM 4 of the Declarations that the Optional Settlement Program Coverage under this Coverage Part has been purchased:

- A. The Insurer's maximum aggregate limit of liability for **Settlement Program Expenditures** will be the amount set forth in ITEM 5.c.i of the Declarations, which amount will be part of, and not in addition to, the Insurer's maximum aggregate limit of liability for all **Loss** under this Coverage Part as set forth in ITEM 5.c of the Declarations.
- B. No retention amount will apply to **Settlement Program Expenditures** payable under this Coverage Part.

Section VI. Discovery Period

If it is stated in ITEM 4 of the Declarations that the Optional Settlement Program Coverage under this Coverage Part has been purchased and the **Insureds** purchase a Discovery Period pursuant to Section III.A of the GENERAL TERMS AND CONDITIONS of this Policy, such Discovery Period will also provide coverage for **Settlement Program Expenditures** incurred by **Insureds** as a result of the **Insureds'** participation during the Discovery Period in a **Settlement Program**, but only if such participation commences during the Discovery Period and involves a **Plan's** unintentional noncompliance with any federal statute, rule or regulation applicable to such **Plan** actually or allegedly taking place before the effective date of the Policy's termination or non-renewal. The Insurer's limit of liability for **Settlement Program Expenditures** incurred by **Insureds** as a result of the **Insureds'** participation during the Discovery Period in a **Settlement Program** will be part of, and not in addition to, the Insurer's maximum aggregate limit of liability for all **Settlement Program Expenditures** under this Coverage Part, which, in turn, will be part of, and not in addition to, the Insurer's maximum aggregate limit of liability for all **Loss** under this Coverage Part.

Section VII. Notice

If it is stated in ITEM 4 of the Declarations that the Optional Settlement Program Coverage under this Coverage Part has been purchased, then, as a condition precedent to exercising their rights under INSURING AGREEMENT B of this Coverage Part, the **Insureds** must give the Insurer written notice of their participation or intent to participate in a **Settlement Program** as soon as practicable after the **Insureds** first become aware of any unintentional noncompliance with any federal statute, rule or regulation applicable to any **Plan**, but in no event later than the expiration date of the Policy. The Insurer will not be liable under INSURING AGREEMENT B

for any **Settlement Program Expenditures** incurred in connection with any **Settlement Program** before such written notice has been given to the Insurer.

Section VIII. Changes in Exposure

- A. If, during the **Policy Period**, a **Plan** merges into or consolidates with another trust or plan not included within the term "**Plan**" such that such **Plan** is not the surviving entity, written notice thereof must be provided to the Insurer as soon as practicable. Coverage under this Coverage Part will continue in full force and effect with respect to **Claims for Wrongful Acts** with respect to such **Plan** committed, attempted or allegedly committed or attempted before such event by any **Insured** or by any person or entity for whose **Wrongful Acts** the **Insureds** are legally responsible, and for the **Insureds'** participation in **Settlement Programs** in respect of any such **Plan's** actual or alleged noncompliance with any statute, rule or regulation before such event. However, coverage under this Coverage Part will cease with respect to **Claims for Wrongful Acts** with respect to such **Plan** committed, attempted or allegedly committed or attempted after such event by any **Insured** or by any person or entity for whose **Wrongful Acts** any **Insured** is legally responsible and for the **Insureds'** participation in **Settlement Programs** in respect of any such **Plan's** actual or alleged noncompliance with any statute, rule or regulation after such event.
- B. If, during the **Policy Period**, the responsibility for the administration of a **Plan** is fully assumed by another person, entity or group of persons or entities, written notice thereof must be provided to the Insurer as soon as practicable. Coverage under this Coverage Part will continue in full force and effect with respect to **Claims for Wrongful Acts** with respect to such **Plan** committed, attempted or allegedly committed or attempted before such event by any natural person **Insured** prior to such transfer of responsibilities or by any person or entity for whose **Wrongful Acts** any natural person **Insured** is legally responsible, and for such natural person **Insureds'** participation in **Settlement Programs** in respect of any such **Plan's** actual or alleged noncompliance with any statute, rule or regulation before such event. However, coverage under this Coverage Part will cease with respect to **Claims for Wrongful Acts** with respect to such **Plan** committed, attempted or allegedly committed or attempted after such event by any natural person **Insured** or by any person or entity for whose **Wrongful Acts** any natural person **Insured** is legally responsible, and for such natural person **Insureds'** participation in **Settlement Programs** in respect of any such **Plan's** actual or alleged noncompliance with any statute, rule or regulation after such event.
- C. If, during the **Policy Period**, the **Company** acquires the assets of another entity or acquires a **Subsidiary** or any other entity, by merger, acquisition or otherwise, no coverage will be available under this Coverage Part in respect of any **Pension Benefit Plan** of any such entity or any trust established to hold any assets of such **Pension Benefit Plan** or any **Insureds** with respect to any such **Pension Benefit Plan** or trust unless written notice of such acquisition is given to the Insurer, together with such additional information as the Insurer may request, as soon as practicable after the effective date and time of such acquisition and the Insurer agrees by written endorsement to this Coverage Part to provide such coverage on such terms, conditions and limitations, and for such additional premium, as the Insurer may require.

Section IX. Waiver of Right of Recourse

If any premium for this Coverage Part is paid out of the assets of a **Plan**, the Insurer will have the right of recourse required by Section 410(b)(1) of ERISA, unless an **Insured** other than a **Plan** shall have paid the additional Waiver of Recourse Premium set forth in ITEM 9 of the Declarations.

Section X. No Fiduciary Status for Insurer

Nothing in this Coverage Part is intended, nor should it be construed:

- A. to give or allow the Insurer to exercise any authority or control respecting the management of any **Plan**, any authority or control respecting the management or disposition of any **Plan's** assets, or any authority or responsibility in the **Administration** of any **Plan**;

- B.** to create any legal relationship between the Insurer and any beneficiary of or participant in any **Plan** or any obligation on the part of the Insurer to make any payment or reimbursement directly to any beneficiary of or participant in any **Plan**; or
- C.** to cause the Insurer to be treated as a fiduciary, as defined in Section (3)(21) of ERISA, with respect to any **Plan**.

Navigators Insurance Company

GENERAL TERMS AND CONDITIONS

**THIS IS A CLAIMS-MADE POLICY
WITH COSTS OF DEFENSE INCLUDED IN THE LIMIT OF LIABILITY.
PLEASE READ THE ENTIRE POLICY CAREFULLY.**

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the insurance company shown in the Declarations (the "Insurer"), including the statements made in the **Proposal Form**, and subject to all terms, conditions and limitations of this Policy, the **Insureds** and the Insurer agree:

Section I. Defense Obligations

- A.** If ITEM 3 of the Declarations states that the "Duty to Defend" option has been elected, the Insurer will have the right and duty to defend any **Claim** against any **Insured** covered under this Policy, even if the allegations in such **Claim** are groundless, false or fraudulent. The Insurer will give consideration to the **Insureds'** preference for defense counsel, but the final decision regarding the appointment of defense counsel will rest with the Insurer. The **Insureds** will have the right, at their own expense, to associate with the Insurer in the defense of any **Claim** and the negotiation of any settlement thereof.
- B.** If ITEM 3 of the Declarations states that the "No Duty to Defend" option has been elected, the Insurer will have no duty to defend any **Claim** against any **Insured**, and it will be the duty of the **Insureds**, and not of the Insurer, to defend any **Claim**. The Insurer will have the right, but not the duty, to associate with the **Insureds** in the investigation, defense or settlement of any **Claim** to which coverage under this Policy may apply. The Insurer will advance **Costs of Defense** prior to the final disposition of any **Claim** covered by this Policy, on the condition that:
1. any applicable retention shall have been satisfied;
 2. any amounts advanced by the Insurer will reduce the Insurer's applicable Limit of Liability under any applicable Coverage Part and under this Policy to the extent such amounts are not in fact repaid; and
 3. in the event it is finally established that the Insurer has no liability under the Policy for **Loss** in connection with such **Claim**, the **Insureds** will repay the Insurer upon demand all **Costs of Defense** advanced to them or on their behalf.
- C.** Whether the "Duty to Defend" or the "No Duty To Defend" option shall have been elected, **Costs of Defense** will be part of, and not in addition to, all applicable Limits of Liability set forth in ITEM 5 of the Declarations, and the Insurer's payment of **Costs of Defense** will reduce, and may exhaust, such Limit or Limits of Liability.

Section II. Definitions

- A.** "**Claim**" will mean:
1. a written demand for monetary or non-monetary relief made against any **Insured**;
 2. any written request for any **Insured** to toll or waive any potentially applicable statute of limitations; or
 3. a civil, criminal, administrative or arbitration proceeding brought against any **Insured** seeking monetary or non-monetary relief and commenced by the service of a complaint or similar

pleading, the return of an indictment or criminal information, or the receipt or filing of notice of charges or similar document.

- B.** “**Company**” will mean the **Corporation** and any **Subsidiary**.
- C.** “**Corporation**” will mean the entity named in ITEM 1 of the Declarations.
- D.** “**Costs of Defense**” will mean reasonable and necessary legal fees, costs and expenses incurred in the investigation, defense or appeal of any **Claim**, including the costs of an appeal bond, attachment bond or similar bond; provided, however, that the Insurer will have no obligation to apply for or furnish any such bond.
- E.** “**Executive Officer**” shall mean any past, present or future President, Chief Executive Officer or Chief Financial Officer of the **Company**.
- F.** “**Financial Insolvency**” will mean any entity included within the term “**Company**” becoming a debtor in possession, or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate such entity.
- G.** “**Foreign Jurisdiction**” means any jurisdiction, other than the United States or any of its territories or possessions.
- H.** “**Insured**” will have, with respect to the coverage afforded in each Coverage Part attached to and forming a part of this Policy, the meaning given to that term in such Coverage Part.
- I.** “**Insured Person**” will have, with respect to the coverage afforded in each Coverage Part attached to and forming a part of this Policy, the meaning given to that term in such Coverage Part.
- J.** “**Loss**” will mean compensatory damages, punitive or exemplary damages, the multiple portion of any multiplied damage award, settlements and **Costs of Defense**; provided, however, that **Loss** will not include salaries, wages, overhead or benefit expenses associated with any **Insured**, criminal or civil fines or penalties imposed by law, taxes, or any matter which may be deemed uninsurable under the law pursuant to which this Policy shall be construed. It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for punitive or exemplary damages or the multiple portion of any multiplied damage award.
- K.** “**Policy Period**” will mean the period from the inception date of this Policy to the expiration date of this Policy as set forth in ITEM 2 of the Declarations, or to its earlier termination if applicable.
- L.** “**Proposal Form**” will mean:
1. the application or proposal form attached to and forming part of this Policy, together with any materials submitted therewith; and
 2. any applications or proposal forms submitted in connection with any policy in an uninterrupted series of policies issued by the Insurer of which this Policy is a renewal or replacement, together with any materials submitted therewith;
- all of which will be retained on file by the Insurer and will be deemed to be physically attached to and form part of this Policy.
- M.** “**Related Wrongful Acts**” will mean **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction, event or decision.
- N.** “**Subsidiary**” will mean:
1. any entity during any time in which the **Corporation** owns, directly or indirectly, more than fifty percent (50%) of the outstanding securities or interests representing the present right to vote for

the election or appointment of such entity's directors, managers, or persons occupying an equivalent position; and

2. any joint venture during any time in which the **Corporation** owns, directly or indirectly, fifty percent (50%) or more of the outstanding securities or interests representing the present right to vote for the election or appointment of such entity's directors, managers, or persons occupying an equivalent position if, pursuant to a written agreement with the owners of such joint venture's remaining securities or interests, the **Corporation** solely controls the management and operations of such joint venture.
- O. "**Wrongful Act**" will have, with respect to the coverage afforded in each Coverage Part attached to and forming a part of this Policy, the meaning given to that term in such Coverage Part.

Section III. Discovery – Coverage Extensions

- A. In the event the Insurer refuses to renew this Policy, the **Insureds** will have the right, upon payment of seventy five percent (75%) of the annual premium, (or if the **Policy Period** is other than annual, seventy five percent (75%) of the annualized premium), to an extension of the coverage provided by this Policy with respect to any **Claim** first made against any **Insured** during the period of twelve (12) months after the end of the **Policy Period** (the "Discovery Period"), but only with respect to **Wrongful Acts** committed or attempted, or allegedly committed or attempted, before the end of the **Policy Period**. As a condition precedent to the right to purchase the Discovery Period, the total premium for this Policy must have been paid, and a written request together with payment of the appropriate premium for the Discovery Period must be provided to the Insurer no later than thirty (30) days after the end of the **Policy Period**. The purchase of the Discovery Period will not in any way increase any Limit of Liability, or create a separate or additional Limit of Liability, applicable to any Coverage Part or to this Policy as a whole, and the limits of liability with respect to **Claims** made during the Discovery Period will be part of, and not in addition to, the applicable Limit or Limits of liability as set forth in ITEM 5 of the Declarations.
- B. In the event of the death, incapacity or bankruptcy of any **Insured Person**, a **Claim** against such **Insured Person's** estate, heirs, legal representatives or assigns for a **Wrongful Act** committed or attempted, or allegedly committed or attempted, by such **Insured Person** will be deemed to be a **Claim** against such **Insured Person**.
- C. Subject to all other terms, conditions and limitations of and endorsements to this Policy, the coverage provided under this Policy to **Insured Persons** will be extended also to apply to the lawful spouses or domestic partners of the **Insured Persons**; provided, that the extension of coverage afforded under this Section III.C will apply only to the extent any such spouse or domestic partner is a party to a **Claim** solely in his or her capacity as a spouse or domestic partner of an **Insured Person** and such **Claim** seeks damages recoverable from marital community property, property jointly held by an **Insured Person** and his or her spouse or domestic partner, or property transferred from an **Insured Person** to his or her spouse or domestic partner. No extension of coverage will be available under this Section III.C for any **Loss** for which any spouse or domestic partner of an **Insured Person** may be liable by reason of his or her own actual or alleged acts, errors, omissions, misstatements, misleading statements or breaches of duty.

Section IV. Limit of Liability

- A. With respect to each Coverage Part, the Insurer will be liable to pay one hundred percent (100%) of **Loss**, including **Costs of Defense**, in excess of the applicable retention amount set forth in ITEM 6 of the Declarations, up to the Limit of Liability applicable to such Coverage Part as set forth in ITEM 5 of the Declarations.
- B. The Insurer's maximum aggregate Limit of Liability under this Policy for all **Loss**, including **Costs of Defense**, will be the amount set forth in ITEM 5.d of the Declarations, regardless of the number of **Insureds**, the number of **Claims**, the number of Coverage Parts, the time of payment or the Coverage Part or Coverage Parts under which such **Loss** is paid.

- C. If the Insurer's maximum aggregate Limit of Liability with respect to any **Claim** is or has been exhausted by the payment of **Loss**, all obligations of the Insurer in connection with such **Claim** will be completely fulfilled and exhausted, and the Insurer will have no obligation to make any further payments of **Loss** or to advance any **Costs of Defense** in connection with such **Claim** or to defend or continue to defend such **Claim**. If the Insurer's maximum aggregate Limit of Liability under this Policy is exhausted by the payment of **Loss**, all obligations of the Insurer under this Policy will be completely fulfilled and exhausted, and the Insurer will thereafter have no obligation to make any further payments of **Loss**, to advance any **Costs of Defense** or to defend or continue to defend any **Claim**; under such circumstances, the entire premium for this Policy will be deemed to have been fully earned.

Section V. Retention

- A. One retention shall apply to each and every **Claim**. If a **Claim** gives rise to coverage under more than one Coverage Part, the retention applicable to **Loss** under each such Coverage Part will be applied separately to that **Loss** payable under such Coverage Part; provided, however, that the sum of all such retentions will not exceed the largest single retention applicable to such **Claim** under any applicable Coverage Part. The retention amount will be borne by the **Insureds** uninsured at their own risk.
- B. No retention will apply to **Loss** incurred by any **Insured Person** for which the **Company** is neither required nor permitted to provide advancement or indemnification, or for which the **Company** is required or permitted to provide advancement or indemnification but is unable to do so solely by reason of its **Financial Insolvency**.

Section VI. Allocation, Costs of Defense and Settlements

- A. If a **Claim** made against any **Insured** includes both covered and uncovered matters, or is made against any **Insured** and others, the **Insureds** and the Insurer recognize that there must be an allocation between **Loss** and uninsured damages, settlement amounts and other liabilities in connection with such **Claim**. The **Insureds** and the Insurer will use their best efforts to agree upon a fair and proper allocation. If no agreement can be reached, the Insurer will advance **Costs of Defense** based on what it believes is a fair and proper allocation until such time as the issue can be resolved.
- B. The **Insureds** may not incur **Costs of Defense**, or admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without the express prior written consent of the Insurer, which consent shall not be unreasonably withheld. The Insurer will not be liable for any admission, assumption or stipulation of liability, settlement or **Costs of Defense** to which it has not consented.

Section VII. Notice

- A. As a condition precedent to their rights under this Policy in connection with any **Claim**, the **Insureds** must give the Insurer written notice of such **Claim** as soon as practicable after such **Claim** is made, but in no event later than sixty (60) days after the end of the **Policy Period**. Subject to the foregoing, written notice of a **Claim** will be deemed to have been given as soon as practicable if such notice is given not later than sixty (60) days after the Chairman of the Board of Directors, President, Chief Executive Officer, Chief Financial Officer, General Counsel, or Risk Manager of the **Company** first becomes aware of such **Claim**.
- B. If, during the **Policy Period** or Discovery Period, any **Insured** first becomes aware of any circumstances which may reasonably be expected to give rise to a **Claim** being made against an **Insured** and shall give written notice to the Insurer of:
1. the circumstances;
 2. the **Wrongful Act** allegations anticipated; and
 3. the reasons for anticipating such a **Claim**;

with full particulars as to the dates, persons and entities involved, then a **Claim** which is subsequently made against such Insured and reported to the Insurer alleging, arising out of, based upon or attributable

to such circumstances or alleging any **Wrongful Act** which is the same as or related to any **Wrongful Act** alleged or contained in such circumstances, shall be considered made at the time the Insurer received such written notice.

C. Notice to the Insurer under Sections VII.A and B above must be given to:

Navigators Insurance Company
One Penn Plaza
New York, NY 10119
ATTN: Navigators Pro Claims Department

Section VIII. General Conditions

A. Worldwide Coverage

The coverage provided by this Policy will apply to **Claims** made, and to **Wrongful Acts** committed or attempted or allegedly committed or attempted, anywhere in the world.

B. Interrelationship of Claims

All **Claims** involving the same **Wrongful Act** or **Related Wrongful Acts** of one or more **Insureds** will be considered a single **Claim**, and will be deemed to have been made on the earlier of the following dates: (1) the earliest date on which any such **Claim** was first made; or (2) the earliest date on which any such **Wrongful Act** or **Related Wrongful Act** was reported under this Policy or any other policy providing similar coverage.

C. Advancement and Indemnification

The certificate of incorporation, charter or other organizational documents of each entity included within the term "**Company**," including by-laws and resolutions, will be deemed to require advancement and indemnification of **Loss** to the **Insured Persons** to the fullest extent permitted by law.

D. Other Insurance

All **Loss** payable under this Policy will be specifically excess of, and will not contribute with, any other valid and collectible insurance, including but not limited to any other insurance under which there is a duty to defend, unless such other insurance is specifically excess of this Policy. This Policy will not be subject to the terms of any other insurance policy or program.

E. Cancellation or Non-Renewal

1. This Policy may be cancelled by the **Corporation** at any time by written notice to the Insurer. Upon cancellation, the Insurer shall retain the customary short rate portion of the premium. Return or tender of any unearned premium will not be a condition of cancellation. This Policy may be cancelled by the Insurer only for non-payment of premium;
2. The Insurer will not be required to renew this Policy. If the Insurer elects not to renew this Policy, the Insurer will provide the **Corporation** with no less than sixty (60) days advance notice thereof. An offer by the Insurer to renew on different terms will not constitute non-renewal.

F. Representations and Severability

It is agreed by the **Insureds** that the particulars and statements contained in the **Proposal Form** and any information provided therewith (which shall be on file with the Insurer and be deemed attached hereto as if physically attached hereto) are the basis of this Policy and are to be considered as incorporated in and constituting a part of this Policy. It is further agreed by the **Insureds** that the statements in the **Proposal Forms** or in any information provided therewith are their representations, that they are material and that this Policy is issued in reliance upon the truth of such representations; provided, in the event that the **Proposal Form** contains misrepresentations made with the actual intent to deceive, or contains

misrepresentations which materially affect either the acceptance of the risk or the hazard assumed by Underwriters under this Policy, this Policy shall be void and have no effect whatsoever with respect to those **Insureds** who made or had knowledge of such misrepresentations. Knowledge of any matter which may give rise to a claim or any misrepresentation made by an **Executive Officer** shall be imputed to the **Company**, but will not be imputed to any **Insured Person** who had no knowledge of the matter which may give rise to a claim or the misrepresentation.

G. Changes in Exposure

1. If, during the **Policy Period**, the **Company** acquires the assets of another entity or acquires a **Subsidiary** or any other entity, by merger, consolidation or otherwise, the coverage afforded under this Policy will be available for **Loss** resulting from **Claims** made during the **Policy Period** or, if purchased, the Discovery Period, against any such entity or any **Insured Persons** thereof for **Wrongful Acts** committed or attempted, or allegedly committed or attempted, by them after the effective date and time of such acquisition. If, however, such assets or the assets of the entity so acquired exceed twenty-five percent (25%) of the total assets of the **Company** as of the date of the most recently audited financial statements of the **Company** or the number of employees of the entity so acquired exceeds twenty-five percent (25%) of the number of the **Company's** employees as of the date of the most recently audited financial statements of the **Company**, such coverage will be available only for ninety (90) days after the effective date and time of such acquisition or until the end of the **Policy Period**, whichever is earlier, unless written notice of such acquisition is given to the Insurer, together with such additional information as the Insurer may request, and the Insurer agrees by written endorsement to this Policy to provide such additional coverage on such terms, conditions and limitations, and for such additional premium, as the Insurer may require. If, however, this Policy contains a Fiduciary Liability Coverage Part, this Section VIII.G.1 will not apply to or operate to extend coverage under such Coverage Part unless the Insurer so agrees by written endorsement to such Coverage Part;
2. If, during the **Policy Period**, any entity ceases to be a **Subsidiary**, the coverage afforded under this Policy in respect of such entity and any **Insureds** thereof by reason of their service with or relationship to such entity will continue to apply to **Claims** made during the **Policy Period** or, if purchased, the Discovery Period, against them for **Wrongful Acts** committed or attempted, or allegedly committed or attempted, by them before such entity ceases to be a **Subsidiary**, but such coverage will cease with respect to **Claims** against any such entity or any such **Insureds** for **Wrongful Acts** committed or attempted, or allegedly committed or attempted, by them after such entity ceases to be a **Subsidiary**;
3. If, during the **Policy Period**, a transaction occurs wherein another person, entity, or group of affiliated persons and/or entities gains control of the **Corporation** through the ownership of more than fifty percent (50%) of the voting stock of the **Corporation**, or the **Corporation** merges into another entity or consolidates with another entity such that the **Corporation** is not the surviving entity, the coverage afforded under this Policy will continue to apply to **Claims** made during the **Policy Period** or, if purchased, the Discovery Period, against any **Insured** for **Wrongful Acts** committed or attempted, or allegedly committed or attempted, before the effective date of such transaction, but coverage will cease with respect to **Claims** against the **Insureds** for **Wrongful Acts** committed or attempted, or allegedly committed or attempted, thereafter. Under such circumstances, the **Insureds** may no longer cancel the Policy and the entire premium for this Policy will be deemed to have been fully earned as of the effective date of such transaction.

H. Quotes for Securities Offerings

If, during the **Policy Period**, any public offering of the **Company's** securities occurs that is not exempt from registration under the Securities Act of 1933 and, at least thirty (30) days prior to the effective date of such offering, the **Insureds** give the Insurer written notice thereof together with all information related thereto as the Insurer may request, the Insurer agrees to give the **Insureds** a quote for coverage with respect to such offering; provided, that such quote will be on such terms and conditions, and for such additional premium, as the Insurer in its sole and absolute discretion shall deem appropriate, and any coverage provided will be on such forms as are in use by the Insurer for public companies at the time of

such offering. In the event of an Initial Public Offering of the **Company's** securities, if the **Insureds** choose to cancel this Policy and purchase a replacement Policy from the Insurer, this Policy will be cancelled and premium returned on a pro-rata basis.

I. Assistance, Cooperation and Subrogation

1. The **Insureds** agree to provide the Insurer with all information, assistance and cooperation that the Insurer may reasonably request, and to do nothing which would in any way increase the Insurer's exposure under this Policy or prejudice the Insurer's actual or potential rights of recovery;
2. In the event of a **Claim**, the **Insureds** shall, as soon as practicable, furnish the Insurer with copies of reports, investigations, pleadings and other papers in connection therewith;
3. In the event of any payment under this Policy, the Insurer will be subrogated to all of the **Insureds'** rights of recovery and the **Insureds** will execute all papers required and do everything that may be necessary to secure such rights, including the execution of such documents as may be necessary to enable the Insurer to effectively bring suit in the name of any **Insured**.

J. Assignment

Assignment of interest under this Policy will not bind the Insurer until its consent is endorsed hereon.

K. Conformity to Statute

Any terms of this Policy which are in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

L. No Action Against the Insurer

1. No action shall be taken against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and until the **Insureds'** obligation to pay shall have been finally determined by an adjudication against the **Insureds** or by written agreement of the **Insureds**, the claimant or claimants 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**; nor may the Insurer be impleaded by any **Insured** or such **Insured's** legal representative in any such **Claim**.

M. Corporation Represents Insureds

By acceptance of this Policy, the **Corporation** is designated to act on behalf of the **Insureds** for all purposes under this Policy, including but not limited to the giving and receiving of all notices and correspondence, the cancellation or non-renewal of this Policy, the payment of premiums, and the receipt of any return premiums that may be due under this Policy.

N. Bankruptcy or Insolvency

No bankruptcy or insolvency of any **Insured** will relieve the Insurer of any of its obligations under this Policy.

O. Application of Coverage Parts

All Coverage Parts are subject to these GENERAL TERMS AND CONDITIONS. Except as stated in these GENERAL TERMS AND CONDITIONS or unless specifically stated otherwise in any Coverage Part or endorsement, the provisions of each Coverage Part will apply only to that Coverage Part and will in no way limit, increase or affect the coverage afforded under any other Coverage Part. If any provision in these GENERAL TERMS AND CONDITIONS is inconsistent or in conflict with the terms and conditions

of any Coverage Part, the terms and conditions of that Coverage Part will control for the purposes thereof.

P. OFAC Disclosure

The Office of Foreign Assets Control ("OFAC") administers and enforces U.S. sanctions policy, based on Presidential declarations of "national emergency." OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations and narcotics traffickers as "Specially Designated Nationals and Blocked Persons"; this list can be located on the website for the United States Department of the Treasury (www.treas.gov/ofac). In accordance with OFAC regulations, if it is determined that any **Insured**, or any person or entity claiming the benefits of this insurance, has violated U.S. sanctions law or is a Specially Designated Nationals and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance will be immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments or premium refunds may be made without authorization from OFAC. Other limitations on premiums and payment may also apply.

Q. Headings

The headings of the various sections of this Policy are intended for reference only and are not to form part of the terms and conditions of coverage.

R. Entire Agreement

By acceptance of this Policy, the **Insureds** agree that this Policy (including the Declarations, the **Proposal Form** and the Coverage Parts specified in ITEM 4 of the Declarations), and any written endorsements attached hereto constitute the entire agreement between the parties relating to this insurance. The terms, conditions and limitations of this Policy can be waived or changed only by written endorsement.

ENDORSEMENT NO.:

This endorsement, effective 12:01am,

forms part of policy number:

issued to:

by: Navigators Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

It is understood and agreed that **Section VI. Investigation and Settlement of the Employment Practices Liability Coverage Part** is deleted and replaced by the following:

Section VI. Investigation and Settlement

The Insurer shall have the right but not the obligation to make any investigation it deems expedient and with the consent of the **Insureds** against whom the **Claim** has been made or the **Company** on behalf of the **Insureds**, make settlement within the available Limit of Liability applicable to this Coverage Part (whether above or below the applicable Retention).

If the **Insureds** shall unreasonably withhold or refuse to consent to any settlement or compromise recommended by the Insurer and acceptable to the claimant and elects to contest the **Claim**, the Insurer's liability for any **Loss** shall not exceed: (1) the amount for which the Insurer could have settled such **Claim** plus **Costs of Defense** incurred as of the date such settlement was proposed in writing by the Insurer, ("Settlement Amount") plus (2) _____ (%) of covered **Loss** in excess of such Settlement Amount, it being a condition of this Policy that the remaining _____ (%) of such **Loss** excess of the Settlement Amount shall be carried by the **Insured** at their own risk and be uninsured. Notwithstanding the foregoing, this paragraph shall not apply until the Settlement Amount exceeds the Retention amount stated in **ITEM 6 Retentions** of the **Declarations Page**.

All other terms and conditions of the Policy remain unchanged.

ENDORSEMENT NO.:

This endorsement, effective 12:01am,

forms part of policy number:

issued to:

by: Navigators Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that the **Employment Practices Liability Coverage Part, Section III. Exclusions, A. 8.**, has been amended by adding the following:

Notwithstanding anything in this Policy to the contrary, including but not limited to **Section III. Exclusions A. 8.**, of the **Employment Practices Liability Coverage Part**, this Policy will provide a \$_____ aggregate sub-limit of liability for **Costs of Defense** incurred with respect to any **Claims** alleging violations of any federal, state or local wage and hour law. This sub-limit of liability is part of and not in addition to the aggregate **Limit of Liability** stated in **ITEM 4, Employment Practices Liability**, of the **Declarations** page of this Policy.

All other terms and conditions of this Policy remain unchanged.

ENDORSEMENT NO.:

This endorsement, effective 12:01am,

forms part of policy number:

issued to:

by: Navigators Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

It is understood and agreed that **Section III. Exclusions, A. 8. (d)**, of the **Directors and Officers Coverage Part**, is deleted in its entirety and replaced with the following:

- (d) brought by any **Insured Person** who has neither served in such capacity nor as consultant to any entity included within the term, "**Company**" for at least _____ (_) prior to such **Claim** having been first made;

All other terms and conditions of the policy remain unchanged.

This endorsement, effective 12:01am,

forms part of policy number:

issued to:

by: Navigators Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

It is understood that **Section VIII. Changes in Exposure, C.**, of the **Fiduciary Liability Coverage Part**, is deleted in its entirety and replaced with the following:

- C. If, during the **Policy Period**, the **Company** acquires the assets of another entity or acquires a **Subsidiary** or any other entity, by merger, acquisition or otherwise, the coverage will be available under this Coverage Part in respect of any **Pension Benefit Plan** of any such entity or any trust established to hold any assets of such **Pension Benefit Plan** or any **Insureds** with respect to any such **Pension Benefit Plan** or trust unless such assets or the assets of the **Pension Benefit Plan** so acquired exceed twenty five percent (25%) of the total assets of the **Pension Benefit Plans** as of the date of the most recently audited plan financial statements of the **Company**, such coverage will be available only for ninety (90) days after the effective date and time of such acquisition or until the end of the **Policy Period**, whichever is earlier, unless written notice of such acquisition is given to the Insurer, together with such additional information as the Insurer may request, and the Insurer agrees by written endorsement to this Policy to provide such additional coverage on such terms, conditions and limitations, and for such additional premium, as the Insurer may require.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT NO.:

This endorsement, effective 12:01 am,

forms part of policy number:

issued to:

by: Navigators Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that **Section VII., Notice, A.**, of the **General Terms and Conditions**, is deleted in its entirety and replaced with the following:

- A.** As a condition precedent to their rights under this Policy in connection with any **Claim**, the Insureds must give the Insurer written notice of such **Claim** as soon as practicable after such **Claim** is made, but in no event later than sixty (60) days after the end of the **Policy Period**. Subject to the foregoing, written notice of a **Claim** will be deemed to have been given as soon as practicable if such notice is given not later than sixty (60) days after the General Counsel or Risk Manager of the **Company** first become aware of such **Claim**.

All other terms and conditions of the Policy remain unchanged.

ENDORSEMENT NO.:

This endorsement, effective 12:01 am,

forms part of policy number:

issued to:

by: Navigators Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that **Section VIII. Changes in Exposure,, G.1.**, of the **General Terms and Conditions**, is amended as follows:

“twenty-five percent (25%) of the total assets” is deleted in its entirety and replaced with
“_____ of the total assets”.

All other terms and conditions of this Policy remain unchanged.

ENDORSEMENT NO.:

This endorsement, effective 12:01am,

forms part of policy number:

issued to:

by: Navigators Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is hereby understood and agreed that the **General Terms and Conditions Coverage Part, Section VI. Allocation, Costs of Defense and Settlements**, has been amended by adding the following:

C. Solely with respect to all Liability Coverage Parts:

If **Loss** is incurred that is partially covered and partially not covered by this Policy, either because a **Claim** made against the **Insureds** includes both covered and uncovered matters or because a **Claim** is made against both covered and uncovered parties, such **Loss** shall be allocated as follows:

- (1) 100% of **Costs of Defense** shall be allocated to covered **Loss**;
and
- (2) **Loss** other than **Costs of Defense** shall be allocated between covered and non covered **Loss** based upon the relative legal exposure of the parties to such matters.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT NO.:

This endorsement, effective 12:01am,

forms part of policy number:

issued to:

by: Navigators Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

It is understood and agreed that **Section III. Exclusions, B. 4**, of the **Directors and Officers Coverage Part**, is deleted in its entirety.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT NO.:

This endorsement, effective 12:01am,

forms part of policy number:

issued to:

by:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

It is understood and agreed that **Section II. Definitions, B., "Employee" 4.**, of the **Employment Practices Liability Coverage Part**, is deleted in its entirety and replaced with the following:

4. any individual contracted to perform work for the **Company** or who is an independent contractor for the **Company**, provided they are indemnified by the **Company**.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT NO.:

This endorsement, effective 12:01am,

forms part of policy number:

issued to:

by: Navigators Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

It is understood and agreed that **Section VI Investigation and Settlement** of the **Employment Practices Liability Coverage Part** is deleted and replaced by the following:

The Insurer shall have the right but not the obligation to make any investigation it deems expedient and with the consent of the **Insureds** against whom the **Claim** has been made or the **Company** on behalf of the **Insureds**, make settlement within the available Limit of Liability applicable to this Coverage Part (whether above or below the applicable Retention).

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT NO.:

This endorsement, effective 12:01am,

forms part

of policy number:

issued to:

by: Navigators Insurance Company

OMNIBUS ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

It is agreed that the Policy, is amended by adding the following:

I. It is understood and agreed that this Policy may not be rescinded.

II. It is hereby understood and agreed that the **General Terms and Conditions Coverage Part, Section VI. Allocation, Costs of Defense and Settlements**, has been amended by adding the following:

C. Solely with respect to all Liability Coverage Parts:

If **Loss** is incurred that is partially covered and partially not covered by this Policy, either because a **Claim** made against the **Insureds** includes both covered and uncovered matters or because a **Claim** is made against both covered and uncovered parties, such **Loss** shall be allocated as follows:

- (1) 100% of **Costs of Defense** shall be allocated to covered **Loss**; and
- (2) **Loss** other than **Costs of Defense** shall be allocated between covered and non covered **Loss** based upon the relative legal exposure of the parties to such matters.

III. It is agreed that **Section VII. Notice, A.**, of the **General Terms and Conditions**, is deleted in its entirety and replaced with the following:

As a condition precedent to their rights under this Policy in connection with any **Claim**, the **Insureds** must give the Insurer written notice of such **Claim** as soon as practicable after such **Claim** is made, but in no event later than sixty (60) days after the end of the **Policy Period**. Subject to the foregoing, written notice of a **Claim** will be deemed to have been given as soon as practicable if such notice is given not later than sixty (60) days after the General Counsel or Risk Manager of the **Company** first become aware of such **Claim**.

IV. It is agreed that **Section VII. Notice, B.**, of the **General Terms and Conditions**, is deleted in its entirety and replaced with the following:

ENDORSEMENT NO.:

If during the **Policy Period** or during the **Discovery Period** (if applicable) the **Company** or the **Insureds** shall become aware of any circumstances which may reasonably be expected to give rise to a **Claim** being made against the **Insureds** and shall give written notice to the Insurer of the circumstances and the reasons for anticipating such a **Claim**, with full particulars as to dates, persons and entities involved, then any **Claim** which is subsequently made against the **Insureds** and reported to the Insurer alleging, arising out of, based upon or attributable to such circumstances or alleging any **Related Wrongful Act** to such circumstances, shall be considered made at the time such notice of such circumstances was given.

- V. It is understood and agreed that **Section VIII. Changes in Exposure, G.**, of the **General Terms and Conditions**, is amended as follows:

“twenty-five percent (25%) of the total assets” is deleted in its entirety and replaced with “_____ (%)”.

- VI. It is understood and agreed that **Section III. Exclusions, A. 1(i)**, of the **Directors and Officers Coverage Part**, is deleted and amended as follows:

this exclusion shall only apply if it is finally adjudicated in the underlying action, that such conduct in fact occurred;

- VII. It is understood and agreed that **Section III. Exclusions, A. 8 (d)** of the **Directors and Officers Coverage Part** is deleted in its entirety and replaced with the following:

brought by any **Insured Person** who has neither served in such capacity nor as consultant to any entity included with the term, “**Company**” for at least one hundred eighty (180) days prior to such **Claim** having been first made;

- VIII. It is understood and agreed that **Section III. Exclusions, B.4**, of the **Directors and Officers Coverage Part**, is deleted in its entirety.

- XI. It is understood and agreed that **Section II. Definitions, B. “Employee” 4.** of the **Employment Practices Liability Coverage Part**, is deleted in its entirety and replaced with the following:

any individual contracted to perform work for the **Company** or who is an independent contractor for the **Company**, provided they are indemnified by the **Company**.

- X. It is understood and agreed that the **Employment Practices Liability Coverage Part, Section III. Exclusions, A. 8.**, has been amended by adding the following:

Notwithstanding anything in this Policy to the contrary, including but not limited to **Section III. Exclusions A. 8.**, of the **Employment Practices**

ENDORSEMENT NO.:

Liability Coverage Part, this Policy will provide a \$_____ aggregate sub-limit of liability for **Costs of Defense** incurred with respect to any **Claims** alleging violations of any federal, state or local wage and hour law. This sub-limit of liability is part of and not in addition to the aggregate **Limit of Liability** stated in **ITEM 4, Employment Practices Liability**, of the **Declarations** page of this Policy.

XI. It is understood and agreed that **Section III. Exclusions, B.**, of the **Employment Practices Liability Coverage Part**, is deleted in its entirety.

XII. It is understood and agreed that **Section VI Investigation and Settlement** of the **Employment Practices Liability Coverage Part** is **deleted and replaced by the following:**

The Insurer shall have the right but not the obligation to make any investigation it deems expedient and with the consent of the **Insureds** against whom the **Claim** has been made or the **Company** on behalf of the **Insureds**, make settlement within the available Limit of Liability applicable to this Coverage Part (whether above or below the applicable Retention).

If the **Insureds** shall unreasonably withhold or refuse to consent to any settlement or compromise recommended by the Insurer and acceptable to the claimant and elects to contest the **Claim**, the Insurer's liability for any **Loss** shall not exceed: (1) the amount for which the Insurer could have settled such **Claim** plus **Costs of Defense** incurred as of the date such settlement was proposed in writing by the Insurer, ("Settlement Amount") plus (2) 80% of covered **Loss** in excess of such Settlement Amount, it being a condition of this Policy that the remaining 20% of such **Loss** excess of the Settlement Amount shall be carried by the **Insured** at their own risk and be uninsured. Notwithstanding the foregoing, this paragraph shall not apply until the Settlement Amount exceeds the Retention amount stated in **ITEM 6 Retentions** of the **Declarations Page**.

XIII. It is understood that **Section VIII. Changes in Exposure, C.**, of the **Fiduciary Liability Coverage Part**, is deleted in its entirety and replaced with the following:

If, during the **Policy Period**, the **Company** acquires the assets of another entity or acquires a **Subsidiary** or any other entity, by merger, acquisition or otherwise, the coverage will be available under this Coverage Part in respect of any **Pension Benefit Plan** of any such entity or any trust established to hold any assets of such **Pension Benefit Plan** or any **Insureds** with respect to any such **Pension Benefit Plan** or trust unless such assets or the assets of the **Pension Benefit Plan** so acquired exceed twenty five percent (25%) of the total assets of the **Pension**

ENDORSEMENT NO.:

Benefit Plans as of the date of the most recently audited plan financial statements of the **Company**, such coverage will be available only for ninety (90) days after the effective date and time of such acquisition or until the end of the **Policy Period**, whichever is earlier, unless written notice of such acquisition is given to the Insurer, together with such additional information as the Insurer may request, and the Insurer agrees by written endorsement to this Policy to provide such additional coverage on such terms, conditions and limitations, and for such additional premium, as the Insurer may require.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT NO.:

This endorsement, effective 12:01am,

forms part of policy number:

issued to:

by:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is understood and agreed that **Section III. Exclusions, A. 1(i)**, of the **Directors and Officers Coverage Part**, is deleted and amended as follows:

- (i) this exclusion shall only apply if it is finally adjudicated in the underlying action, that such conduct in fact occurred;

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT NO.:

This endorsement, effective 12:01am,

forms part of policy number:

issued to:

by:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that the Policy, is amended by adding the following:

It is understood and agreed that this Policy may not be rescinded.

All other terms and conditions of the policy remain unchanged.

ENDORSEMENT NO.:

This endorsement, effective 12:01am,

forms part of policy number:

issued to:

by: Navigators Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that **Section VII. Notice, B.**, of the **General Terms and Conditions**, deleted in its entirety and replaced with the following:

- B. If, during the **Policy Period** or during the **Discovery Period** (if applicable), the **Company** or the **Insureds** shall become aware of any circumstances which may reasonably be expected to give rise to a **Claim** being made against the **Insureds** and shall give written notice to the Insurer of the circumstances and the reasons for anticipating such a **Claim**, with full particulars as to dates, persons and entities involved, then any **Claim** which is subsequently made against the **Insureds** and reported to the Insurer alleging, arising out of, based upon or attributable to such circumstances or alleging any **Related Wrongful Act** to such circumstances, shall be considered made at the time such notice of such circumstances was given.

All other terms and conditions of the policy remain unchanged.

ARKANSAS

CONSENT AGREEMENT

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT CONFIRMS BY AFFIXING THEIR SIGNATURE TO THIS STATEMENT THAT IT IS UNDERSTOOD THAT THE LIMIT OF LIABILITY CONTAINED IN THIS POLICY SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED, BY COSTS OF DEFENSE AND TO THE EXTENT THAT THE POLICY'S LIMIT OF LIABILITY ARE THEREBY EXCEEDED, WE SHALL NOT BE LIABLE FOR COSTS OF DEFENSE OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT.

IT IS ALSO UNDERSTOOD THAT CLAIMS EXPENSES THAT ARE INCURRED SHALL BE APPLIED AGAINST YOUR DEDUCTIBLE UP TO THE AMOUNT STATED IN ITEM 5 OF THE POLICY DECLARATIONS AND, IN SUCH EVENT, THAT WE SHALL BE LIABLE FOR LEGAL CLAIMS EXPENSES (EXCEPT FOR THOSE DUE TO ANY OFFSET AGAINST LIMIT OF LIABILITY) EXCEEDING THAT AMOUNT OR PERCENTAGE.

IT IS FURTHER UNDERSTOOD THAT THE CORPORATION WILL HAVE THE RIGHT TO PURCHASE A SUPPLEMENTAL EXTENDED REPORTING PERIOD.

IT IS FURTHER UNDERSTOOD THAT IF A POLICY IS ISSUED, THIS STATEMENT WILL BE ATTACHED TO AND FORM A PART OF SAID POLICY.

SIGNED: _____ TITLE: _____
(PRINCIPAL, PARTNER OR OFFICER)

APPLICANT: _____ DATE: _____
(NAME OF INSURED)

ENDORSEMENT NO.:

This endorsement, effective 12:01 am,

Forms part of

Policy number:

Issued to:

By: Navigators Insurance Company

ARKANSAS ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

I. Section VIII., General Conditions, E. Cancellation or Nonrenewal of the General Terms and Conditions is deleted in its entirety and replaced with the following:

E CANCELLATION or NON-RENEWAL

1. The Corporation may cancel this Policy by mailing or delivering to the Insurer advance written notice of cancellation.
2. The Insurer may cancel the Policy, for only one or more of the following reasons, by mailing or delivering to the Corporation written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if the Insurer cancel for nonpayment of the premium; or
 - b. 20 days before the effective date of cancellation if the Insurer cancels due to a determination by the Commissioner that continuation of the Policy would violate or would place the Insurer in violation of the law.
3. The Insurer must provide the following loss information to the named insured within 30 days of the insured's request and within 15 days after notice of cancellation or nonrenewal following:
 - a. Description of closed Claims including the date and description of occurrence, amount of payments, if any;
 - b. Description of open claims including the date and description of occurrence, amount of payment, if any, and an estimate of reserves, if any; and
 - c. Information on notices of occurrence including the date and an estimate of reserves, if any.

IV. Section III., Discovery - Coverage Extension – Discovery of the General Terms and Conditions is deleted in its entirety and replaced with the following:

Discovery Period

1. The Insurer will provide at no additional charge automatic 60 day Basic **Extended Reporting Period** upon cancellation or termination of the Policy by either the Insurer or the Corporation.
2. The Corporation will also have the right to purchase a Supplemental **Extended Reporting Period**. The Insurer shall send **YOU** written notice on the date of termination advising **YOU** of the Basic **Extended Reporting Period** and the availability of, the premium for, and the importance of purchasing the Supplemental **Extended Reporting Period**.

To exercise this right, the Corporation must write to the Insurer within 60 days of the termination requesting such an extension, and pay the premium promptly when due. The period of time within which a Claim can first be made against the Corporation and promptly reported in writing to the Insurer will then be extended for a period of one (1) year, or as otherwise required by law in the Corporation’s state, from the date of termination, expiration, or cancellation of this Policy, whichever transpires first. The aggregate limit of insurance for the Supplemental **Extended Reporting Period** shall be no less than the greater of the amount of coverage remaining in the expiring Policy aggregate limit of insurance or seventy five percent (75%) of the aggregate limit of insurance at policy inception. The premium for such extension will be based upon the rates and rating rules in effect at the inception date of the last policy period of the claims-made policy. Such extension for the reporting of Claims shall not apply to any pending Claim or proceedings, any paid Claim, or to any Claim that is covered under any other insurance, or that would be covered but for exhaustion of the limit of insurance under such other insurance.

3. A prior acts date may only be advanced with the Corporation written consent and upon one (1) or more of the following conditions:
 - a. If there is a change in insurer other than another insurer within the same insurance holding company or group;
 - b. If there is a substantial change in the insured's operations which would have been a material factor in the insurer's acceptance or declination of the risk; or
 - c. At the request of the first-named insured.

Prior to advancement of the prior acts date under subdivisions (3)(a)-(c) of this section, **YOU** will receive a consent form to sign which acknowledges that the Corporation has been advised of the Corporation right to purchase the Supplemental Extended Reporting Period.

V. The following definition is added to Section II – Definitions of the General Terms and Conditions:

“Punitive Damages” means those damages imposed to punish or deter wrongdoers

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

Date

ARKANSAS POLICYHOLDER NOTICE

IMPORTANT NOTICE

In the event you need to contact the Arkansas Insurance Division, the address and telephone number are:

Arkansas Insurance Department
Consumer Services Division
1200 West 3rd Street
Little Rock AR 72201-1904

1-800-852-5494 or 501-371-2640

SERFF Tracking Number: *NAVG-125847853* *State:* *Arkansas*
Filing Company: *Navigators Insurance Company* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *SP-F-908-AR*
TOI: *17.1 Other Liability - Claims Made Only* *Sub-TOI:* *17.1006 Directors & Officers Liability*
Product Name: *Private Smart Policy Initial Program Filing*
Project Name/Number: *Private Smart Policy Initial Program Filing/SP-F-908-AR*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: NAVG-125847853 State: Arkansas
Filing Company: Navigators Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: SP-F-908-AR
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability
Product Name: Private Smart Policy Initial Program Filing
Project Name/Number: Private Smart Policy Initial Program Filing/SP-F-908-AR

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 12/09/2008

Comments:

Attachment:

NAIC Transmittal for AR SmartPolicy Filing.pdf

Satisfied -Name: Forms List **Review Status:** Approved 12/09/2008

Comments:

Attachment:

AR SmartPolicyFormsList.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;">New Business</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="border-bottom: 1px solid black;">Renewal Business</td> <td style="border-bottom: 1px solid black;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #

5. Company Tracking Number	
-----------------------------------	--

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail

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

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

9. Type of Insurance (TOI)	
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: <input style="width: 100px;" type="text"/> Renewal: <input style="width: 100px;" type="text"/>
15. Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
------------	--

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

Check #:
Amount:

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

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

PC TD-1 pg 2 of 2

FORM FILING SCHEDULE

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

1.	This filing transmittal is part of Company Tracking #	
-----------	--	--

2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	
-----------	---	--

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	SP-F-908-AR			
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	SP-R-908-AR			
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Amend Section VII. Notice A	NAV-PDL-05 (9/08) (GT&C)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Amend Section VIII. Changes in Exposure, G1	NAV-PDL-06 (9/08) (GT&C)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Amend Section VI. Allocation	NAV-PDL-07 (9/08) (GT&C)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Amend Section II.B. Employee, 4.	NAV-PDL-08 (9/08) (D&O)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Delete Section III. B 4	NAV-PDL-09 (9/08) (EPL)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Amend Section VI Investigation and Settlement	NAV-PDL-10 (9/08) (EPL)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Omnibus Endorsement	NAV-PDL-11 (9/08) (ALL)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Amend Section III. Exclusions, A. 1(i)	NAV-PDL-12 (9/08) D&O)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Non Rescindable Endorsements	NAV-PDL-13 (9/08) (ALL)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Amend Section VII Notice, B	NAV-PDL-14 (9/08) (GT&C)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

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01	Arkansas Endorsement	NAV-PDL-300-AR (9/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Arkansas Consent Agreement	NAV-PDL-301-AR (9/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Arkansas Policyholder Notice	NAV-PDL-302-AR (9/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
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08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

FORM	FORM TITLE	DESCRIPTION	MAND/ OPT	BROADENS/ RESTRICTS
NAV-SP-APP	Application	Application		
NAV-SP-DEC	Declarations	Declarations		
NAV-SPGT-001	General Terms and Conditions	Contains the terms and conditions applicable to all coverage parts	M	
NAV-SPDO-001	Directors and Officers Liability Coverage Part (D&O)	Provides the provisions for Directors and Officers	M	
NAV-SPEP-001	Employment Practices Liability Coverage Part (EPL)	Provides the provisions for Employment Practices Liability	O	
NAV-SPFL-001	Fiduciary Liability Coverage Part (FID)	Provides the provisions for Fiduciary Liability	O	
ENDORSEMENTS &				
Coverage Part Impacted				
NAV-PDL-01 (9/08) (EPL)	Amended Section VI Investigation and Settlement	Provides a % Settlement Amount for Consent to Settlement for those insureds that request a specific percentage	O	B
NAV-PDL-02 (9/08) (EPL)	Amend Section III. Exclusions A. 8	Wage and Hour Exclusion is Deleted and Replaced with Sub-Limit	O	B
NAV-PDL-03 (9/08) (D&O)	Amend Section III. Exclusions A. 8 (d)	Amends Exclusion with time limit	O	B
NAV-PDL-04 (9/08) (FID)	Amend Section VIII. Changes in Exposure	Amends Coverage For Newly Acquired Plans Up To 25% of Assets	O	B
NAV-PDL-05 (9/08) (GT&C)	Amend Section VII. Notice A	Notice of Claim is amended based upon Knowledge of Specific Individuals	O	B
NAV-PDL-06 (9/08) (GT&C)	Amend Section VIII. Changes in Exposure, G1	Amend the Changes in Exposure Asset Threshold to a specific percentage	O	B
NAV-PDL-07 (9/08) (GT&C)	Amend Section VI. Allocation	Provides for 100% of Costs of Defense for those insureds that request a specific percentage	O	B
NAV-PDL-08 (9/08) (D&O)	Amend Section II.B. Employee, 4.	Amends the definition of employee to include independent contractor	O	B

NAV-PDL-09 (9/08) (EPL)	Delete Section III. B 4	Deletes the anti-trust exclusion for those insureds that request and demonstrate no anti-trust exposure	O	B
NAV-PDL-10 (9/08) (EPL)	Amend Section VI Investigation and Settlement	Amends the settlement provision of claims for those insureds that require consent from the insurer in settlement	O	R
NAV-PDL-11 (9/08) (ALL)	Omnibus Endorsement	Amends various sections of the policy for those insureds that request multiple coverage enhancements in one endorsement. Can only be used if all three coverage parts are selected.	O	B
NAV-PDL-12 (9/08) D&O)	Amend Section III. Exclusions, A. 1(i)	Amends Exclusion A 1(i) to limit the exclusion to underlying action for those insureds that request the narrower exclusion	O	R
NAV-PDL-13 (9/08) (ALL)	Non Rescindable Endorsements	Non-rescindable policy provision for those insureds that request a non-recindable policy	O	B
NAV-PDL-14 (9/08) (GT&C)	Amend Section VII Notice, B	Amend the notice provision to include circumstances	O	B
STATE AMENDATORY ENDORSEMENTS	ENDORSEMENT TITLE			
NAV-PDL-300-AR (9/08)	Arkansas Endorsement			
NAV-PDL-301-AR (9/08)	Arkansas Consent Agreement			
NAV-PDL-302-AR (9/08)	Arkansas Policyholder Notice			