

SERFF Tracking Number: TSMP-125692194 State: Arkansas
 Filing Company: Allied World National Assurance Company State Tracking Number: #511760 \$50
 Company Tracking Number: AWNAC-PRIVATE-AR-01 (F)
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability
 Product Name: Allied World National Assurance Company Resolute Portfolio For Private Companies Program
 Project Name/Number: Resolute Portfolio For Private Companies Program/AWNAC-PRIVATE-AR-01 (F)

Filing at a Glance

Company: Allied World National Assurance Company

Product Name: Allied World National Assurance SERFF Tr Num: TSMP-125692194 State: Arkansas

Company Resolute Portfolio For Private

Companies Program

TOI: 17.0 Other Liability - Claims
 Made/Occurrence

SERFF Status: Closed

State Tr Num: #511760 \$50

Sub-TOI: 17.0019 Professional Errors &
 Omissions Liability

Co Tr Num: AWNAC-PRIVATE-AR- State Status: Fees verified and
 01 (F) received

Filing Type: Form

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

Authors: Audrey Moses, Heather
 Carroll

Disposition Date: 07/16/2008

Date Submitted: 06/12/2008

Disposition Status: Approved

Effective Date Requested (New): 07/14/2008

Effective Date (New):

Effective Date Requested (Renewal):

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: Resolute Portfolio For Private Companies Program

Status of Filing in Domicile: Pending

Project Number: AWNAC-PRIVATE-AR-01 (F)

Domicile Status Comments: Filing is pending in
 the state of domicile New Hampshire.

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 07/16/2008

State Status Changed: 06/30/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Tressler, Soderstrom, Maloney & Priess, LLP is submitting the above referenced Resolute PortfolioSM For Private Companies Program ("Program") for your review on behalf of Allied World National Assurance Company. This new

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Program offers the following types of commercial liability coverage to private companies: (1) directors and officers liability; (2) employment practices liability; and (3) fiduciary liability. We have enclosed a Filing Memorandum that briefly describes the coverage afforded by the Policy.

Company and Contact

Filing Contact Information

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

Carrie Cope, Attorney At Law ccope@tsmp.com
 233 South Wacker Drive (312) 627-4188 [Phone]
 Chicago, IL 60606-6399 (312) 627-1717[FAX]

Filing Company Information

Allied World National Assurance Company CoCode: 10690 State of Domicile: New Hampshire
 225 Franklin Street Group Code: 3239 Company Type:
 Boston, MA 02110 Group Name: Allied World Ass. State ID Number:
 Group
 (857) 288-6000 ext. [Phone] FEIN Number: 02-0493244

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation: The state of Arkansas assesses a \$50.00 form filing fee.
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Allied World National Assurance Company	\$0.00	06/12/2008	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
511760	\$50.00	06/12/2008

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	07/16/2008	07/16/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Edith Roberts	06/30/2008	06/30/2008	Audrey Moses	07/02/2008	07/02/2008

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Disposition

Disposition Date: 07/16/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Authorization Letter	Approved	Yes
Supporting Document	Filing Memorandum	Approved	Yes
Supporting Document	Forms Index	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Form	Resolute Portfolio For Private Companies Declarations	Approved	Yes
Form	Resolute Portfolio For Private Companies General Terms & Conditions Section	Approved	Yes
Form	Resolute Portfolio For Private Companies Directors & Officers Liability Coverage	Approved	Yes
Form	Resolute Portfolio For Private Companies Employment Practices Liability Coverage Section	Approved	Yes
Form	Resolute Portfolio For Private Companies Fiduciary Liability Coverage Section	Approved	Yes
Form	Resolute Portfolio For Private Companies Insurance (Inclusive of Directors & Officers Liability, Employment Practices Liability and Fiduciary Liability) Application	Approved	Yes
Form	State Amendatory Inconsistency	Approved	Yes
Form	Reliance Endorsement (specified applications)	Approved	Yes
Form	Reliance Endorsement (other applications)	Approved	Yes
Form	Actuarial E&O Exclusion (Fiduciary Coverage Section)	Approved	Yes
Form	Amend Definition of Plan By Adding Specific Plans (Fiduciary Coverage Section)	Approved	Yes
Form	Sponsor Organization Exclusion (Fiduciary Coverage Section)	Approved	Yes
Form	Amend Sponsor Organization Securities	Approved	Yes

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Coverage-Sublimit of Liability and Retention (Fiduciary Coverage Section)

Form	Employed Lawyers Coverage Extension- Co-Defendant Basis Only (D&O Coverage Section)	Approved	Yes
Form	Employed Lawyers Coverage Extension (D&O Coverage Section)	Approved	Yes
Form	OFAC Exclusion (all Coverage Sections)	Approved	Yes
Form	Delete Exclusion	Approved	Yes
Form	Franchisee E&O Exclusion-With Exception for Securities Claims (D&O Coverage Section)	Approved	Yes
Form	Major Shareholder Exclusion (D&O Coverage Section)	Approved	Yes
Form	Amend Contract Exclusion (D&O Coverage Section)	Approved	Yes
Form	Specific Litigation/Event Exclusion	Approved	Yes
Form	Specific Litigation/Event Exclusion- Includes Sec Filings	Approved	Yes
Form	Absolute Bodily Injury/Property Damage Exclusion (D&O Coverage Section)	Approved	Yes
Form	Absolute Bodily Injury/Property Damage Exclusion (EPL Coverage Section)	Approved	Yes
Form	Amend Pollution Exclusion-Delete Exception for Securities Claims (D&O Coverage Section)	Approved	Yes
Form	Anti-Trust Exclusion-Applies to Entity Only (D&O Coverage Section)	Approved	Yes
Form	Anti-Trust Exclusion (D&O Coverage Section)	Approved	Yes
Form	Anti-Trust Claim Coverage Extension- With Sublimit (D&O Coverage Section)	Approved	Yes
Form	Anti-Trust Claim Coverage Extension- With Separate Retention, Sublimit and Co-Insurance (D&O Coverage Section)	Approved	Yes
Form	Prior Acts Exclusion	Approved	Yes

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Form	Retention For Class Actions (EPL Coverage Section)	Approved	Yes
Form	Amend Wage and Hour Exclusion-Add Defense Costs Coverage with Sublimit (EPL Coverage Section)	Approved	Yes
Form	Specific Entity Exclusion-Claims Brought Against Such Entity (D&O Coverage Section)	Approved	Yes
Form	Specific Entity Exclusion-Claims Brought By Such Entity (D&O Coverage Section)	Approved	Yes
Form	Full Nuclear Exclusion (D&O Coverage Section)	Approved	Yes
Form	Director Exclusion (EPL Coverage Section)	Approved	Yes
Form	Delete Entity Coverage (EPL Coverage Section)	Approved	Yes
Form	Amend Definition of "Loss"-Add Punitive Damages Sublimit (D&O Coverage Section)	Approved	Yes
Form	Amend Definition of "Loss"-Add Punitive Damages Sublimit (EPL Coverage Section)	Approved	Yes
Form	Amend Definition of "Subsidiary"-Change Revenue Threshold (D&O Coverage Section)	Approved	Yes
Form	Amend Definition of "Subsidiary"-Change Employee Threshold (EPL Coverage Section)	Approved	Yes
Form	Amend Notice Clause: Post Policy Reporting	Approved	Yes
Form	Pending or Prior Litigation Exclusion-Increased Limits	Approved	Yes
Form	Amend Defense of Claim and Settlement Clause-Delete Insurer's Duty to Defend; With Option to Tender Defense	Approved	Yes
Form	Amend Definition of "Loss"-Investment Loss Coverage (Fiduciary Coverage	Approved	Yes

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 Section)

Form	Policyholder Disclosure Statement Under the Terrorism Risk Insurance Act	Approved	Yes
Form	Exclusion of Certified Acts of Terrorism and Non-Certified Acts of Terrorism	Approved	Yes
Form	Exclusion of Certified Acts of Terrorism	Approved	Yes
Form	Exclusion of Non-Certified Acts of Terrorism and Coverage of Certified Acts of Terrorism	Approved	Yes
Form (revised)	Arkansas Amendatory Endorsement	Approved	Yes
Form	Arkansas Amendatory Endorsement	Approved	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 06/30/2008
Submitted Date 06/30/2008

Respond By Date

Dear Carrie Cope,

This will acknowledge receipt of the captioned filing.

Please reference AR Amendatory Endorsement, Form PG 00026 03 (03/08), A. 3., paragraphs 1-5 on page 1 and paragraph 3 on page 2. These refer to the maximum limit of liability for both the policy period and the "Discovery Period." This language is in conflict with AR Code Anno. 23-79-306 (6) and also with the language under your Discovery Clause which does correctly reinstate this limit to 50% of expiring aggregate if exhausted below that amount.

Also, please refer to page 2, #8 Discovery Clause, paragraph 1 which states that the insured does not have the right to purchase the Discovery for termination due to non-payment of premium. The Extended Reporting Period (Discovery Clause) provisions must be in compliance with Ark. Code Ann. §23-79-306 (2-6). The policy must indicate that the insurer must provide at no additional charge an automatic sixty (60) day "basic" Extended Reporting Period upon cancellation or termination for any reason including non-payment of premium, deductibles, retentions or excess payments over the limit of liability reimbursements still owed. In cases of termination for non-payment of premium, the ERPs may only be refused for flat cancellation as of the date of inception.

Please amend.

Thanks

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 07/02/2008
Submitted Date 07/02/2008

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Dear Edith Roberts,

Comments:

Response 1

Comments: Ms. Roberts:

Thank you for your letter of June 30, 2008. We are responding to your letter by providing you with a revised Arkansas Amendatory Endorsement, #PG 00026 03 (03/08). We hope this satisfies your concerns.

If you have any questions or comments, please feel free to contact us.

Thank You,

Audrey Moses
 (312) 768-2286

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Arkansas Amendatory Endorsement	PG 00026 03	03/08	Endorsement/Amendment/Conditions	Replaced		0	Arkansas Private Amendatory Endorsement revised.pdf
Previous Version							
Arkansas Amendatory Endorsement	PG 00026 03	03/08	Endorsement/Amendment/Conditions	New		0	AR Private Amendatory

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No Rate/Rule Schedule items changed.

Sincerely,
Audrey Moses, Heather Carroll

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Resolute Portfolio For Private Companies Declarations	PG 00004 00	03/08	Declaration New s/Schedule		0.00	PG 00004 00 Resolute Portfolio For Private Companies Dec.pdf
Approved	Resolute Portfolio For Private Companies General Terms & Conditions Section	PG 00008 00	03/08	Policy/Coverage New Form		0.00	AWNAC Private Company General Terms and Conditions Section.PDF
Approved	Resolute Portfolio For Private Companies Directors & Officers Liability Coverage	PG 00012 00	03/08	Policy/Coverage New Form		0.00	AWNAC Resolute Private Company DO Section.pdf
Approved	Resolute Portfolio For Private Companies Employment Practices Liability Coverage Section	PG 00016 00	03/08	Policy/Coverage New Form		0.00	AWNAC Resolute Private Company EPLI Section.pdf
Approved	Resolute Portfolio For Private Companies Fiduciary Liability Coverage Section	PG 00020 00	03/08	Policy/Coverage New Form		0.00	AWNAC Resolute Private Company Fiduciary Section.pdf
Approved	Resolute Portfolio	PG 00024 00	03/08	Application/ New		0.00	AWNAC

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	For Private Companies Insurance (Inclusive of Directors & Officers Liability, Employment Practices Liability and Fiduciary Liability) Application	00	Binder/Enrollment		Resolute Portfolio Private Company App.PDF
Approved	State Amendatory Inconsistency	PG 00038 00	03/08 Endorsement/Amendment/Conditions	0.00	PG 00038 00 State Amendatory Inconsistency Endorsement.pdf
Approved	Reliance Endorsement (specified applications)	PG 00039 00	03/08 Endorsement/Amendment/Conditions	0.00	PG 00039 00 Reliance Endorsement Specific Applications.pdf
Approved	Reliance Endorsement (other applications)	PG 00040 00	03/08 Endorsement/Amendment/Conditions	0.00	PG 00040 00 Reliance Endorsement (other applications).pdf
Approved	Actuarial E&O Exclusion (Fiduciary Coverage Section)	PG 00041 00	03/08 Endorsement/Amendment/Conditions	0.00	PG 00041 00 Actuarial Exclusion.pdf
Approved	Amend Definition of Plan By Adding	PG 00042 00	03/08 Endorsement/Amendment	0.00	PG 00042 00 Amend

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	Specific Plans (Fiduciary Coverage Section)		ent/Condi tions		Definition of Plan By Adding Specific Plans.pdf	
Approved	Sponsor Organization Exclusion (Fiduciary Coverage Section)	PG 00043 00	03/08	Endorseme New nt/Amendm ent/Condi tions	0.00	PG 00043 00 Sponsor Organization Exclusion.pdf
Approved	Amend Sponsor Organization Securities Coverage- Sublimit of Liability and Retention (Fiduciary Coverage Section)	PG 00044 00	03/08	Endorseme New nt/Amendm ent/Condi tions	0.00	PG 00044 00 Add Sponsor Organization Securities Coverage with Sublimit.pdf
Approved	Employed Lawyers Coverage Extension-Co- Defendant Basis Only (D&O Coverage Section)	PG 00045 04	03/08	Endorseme New nt/Amendm ent/Condi tions	0.00	PG 00045 04 Employed Lawyers Coverage Extension (Co- Defendant Basis).pdf
Approved	Employed Lawyers Coverage Extension (D&O Coverage Section)	PG 00046 04	03/08	Endorseme New nt/Amendm ent/Condi tions	0.00	PG 00046 04 Employed Lawyers Coverage Extension.pdf
Approved	OFAC Exclusion (all Coverage	PG 00047 00	03/08	Endorseme New nt/Amendm	0.00	PG 00047 00 OFAC

SERFF Tracking Number: TSMP-125692194 State: Arkansas
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Sections)	ent/Condi ons	Exclusion.pd f
Approved Delete Exclusion PG 00048 03/08 00	Endorseme New nt/Amendm ent/Condi ons	0.00 PG 00048 00 Delete Exclusion.pd f
Approved Franchisee E&O PG 00049 03/08 Exclusion-With 00 Exception for Securities Claims (D&O Coverage Section)	Endorseme New nt/Amendm ent/Condi ons	0.00 PG 00049 04 Franchisee Exclusion With Securities Claim Exception.pd f
Approved Major PG 00050 03/08 Shareholder 04 Exclusion (D&O Coverage Section)	Endorseme New nt/Amendm ent/Condi ons	0.00 PG 00050 04 Major Shareholder Exclusion.pd f
Approved Amend Contract PG 00051 03/08 Exclusion (D&O 02 Coverage Section)	Endorseme New nt/Amendm ent/Condi ons	0.00 PG 00051 02 0308 Amend Contract Exclusion.pd f
Approved Specific PG 00052 03/08 Litigation/Event 00 Exclusion	Endorseme New nt/Amendm ent/Condi ons	0.00 PG 00052 00 Specific Event or Litigation Exclusion.pd f
Approved Specific PG 00053 03/08 Litigation/Event 00 Exclusion- Includes Sec Filings	Endorseme New nt/Amendm ent/Condi ons	0.00 PG 00053 00 Specific Event or Litigation Exclusion

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Approval	Coverage Description	Policy Number	Effective Date	Endorsement	Amount	Attachment
Approved	Absolute Bodily Injury/Property Damage Exclusion (D&O Coverage Section)	PG 00054	03/08	Endorsement/Amendment/Conditions	0.00	(Includes SEC Filings).pdf PG 00054 02 0308 Absolute Bodily Injury Property Damage Exclusion.pdf
Approved	Absolute Bodily Injury/Property Damage Exclusion (EPL Coverage Section)	PG 00055	03/08	Endorsement/Amendment/Conditions	0.00	PG 00055 04 Amend BI PD Exclusion To Absolute EPL.pdf
Approved	Amend Pollution Exclusion-Delete Exception for Securities Claims (D&O Coverage Section)	PG 00056	03/08	Endorsement/Amendment/Conditions	0.00	PG 00056 02 0308 Amend Pollution Exclusion Delete Exception for Securities Claims.pdf
Approved	Anti-Trust Exclusion-Applies to Entity Only (D&O Coverage Section)	PG 00057	03/08	Endorsement/Amendment/Conditions	0.00	PG 00057 04 Anti-Trust Exclusion Applies to Entity Only.pdf
Approved	Anti-Trust Exclusion (D&O Coverage Section)	PG 00058	03/08	Endorsement/Amendment/Conditions	0.00	PG 00058 04 Anti-Trust Exclusion.pdf
Approved	Anti-Trust Claim	PG 00059	03/08	Endorsement/Amendment/Conditions	0.00	PG 00059

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Approval	Coverage	Policy	Effective Date	Description	Amount	Attachment
	Coverage Extension-With Sublimit (D&O Coverage Section)	04		nt/Amendm ent/Condi tions		04 Anti - Trust Claim Coverage (with sublimit).pdf
Approved	Anti-Trust Claim Coverage Extension-With Separate Retention, Sublimit and Co-Insurance (D&O Coverage Section)	PG 00060 04	03/08	Endorseme nt/Amendm ent/Condi tions	0.00	PG 00060 04 Anti - Trust Claim Coverage (separate retention, sublimit and co-insurance).pdf
Approved	Prior Acts Exclusion	PG 00063 00	03/08	Endorseme nt/Amendm ent/Condi tions	0.00	PG 00063 00 Prior Acts Exclusion.pdf
Approved	Retention For Class Actions (EPL Coverage Section)	PG 00064 04	03/08	Endorseme nt/Amendm ent/Condi tions	0.00	PG 00064 04 Add Retention for EPL Class Actions.pdf
Approved	Amend Wage and Hour Exclusion-Add Defense Costs Coverage with Sublimit (EPL Coverage Section)	PG 00065 04	03/08	Endorseme nt/Amendm ent/Condi tions	0.00	PG 00065 04 Amend Wage and Hour Exclusion - Provide Defense Costs Coverage With Sub Limit.pdf
Approved	Specific Entity Exclusion-Claims	PG 00066 04	03/08	Endorseme nt/Amendm	0.00	PG 00066 04 Add

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	Brought Against Such Entity (D&O Coverage Section)	ent/Condi ons			Specific Entity Exclusion For Claims Brought Against Entity.pdf
Approved	Specific Entity Exclusion-Claims Brought By Such Entity (D&O Coverage Section)	PG 00067 03/08 04	Endorseme New nt/Amendm ent/Condi ons	0.00	PG 00067 04 Add Specific Entity Exclusion For Claims Brought By Entity.pdf
Approved	Full Nuclear Exclusion (D&O Coverage Section)	PG 00068 03/08 04	Endorseme New nt/Amendm ent/Condi ons	0.00	PG 00068 04 Full Nuclear Exclusion.pd f
Approved	Director Exclusion (EPL Coverage Section)	PG 00069 03/08 04	Endorseme New nt/Amendm ent/Condi ons	0.00	PG 00069 04 Director Exclusion.pd f
Approved	Delete Entity Coverage (EPL Coverage Section)	PG 00070 03/08 04	Endorseme New nt/Amendm ent/Condi ons	0.00	PG 00070 04 Delete Entity Coverage.pd f
Approved	Amend Definition of "Loss"-Add Punitive Damages Sublimit (D&O Coverage Section)	PG 00071 03/08 04	Endorseme New nt/Amendm ent/Condi ons	0.00	PG 00071 04 Amend Definition of Loss Punitive Damages Sublimit.pdf
Approved	Amend Definition	PG 00072 03/08	Endorseme New	0.00	PG 00072

SERFF Tracking Number: TSMP-125692194 State: Arkansas
 Filing Company: Allied World National Assurance Company State Tracking Number: #511760 \$50
 Company Tracking Number: AWNAC-PRIVATE-AR-01 (F)
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability

Product Name: Allied World National Assurance Company Resolute Portfolio For Private Companies Program

Project Name/Number: Resolute Portfolio For Private Companies Program/AWNAC-PRIVATE-AR-01 (F)

	of "Loss"-Add Punitive Damages Sublimit (EPL Coverage Section)	04 04	nt/Amendm ent/Condi ons		04 Amend Definition of Loss Punitive Damages Sublimit EPL.pdf
Approved	Amend Definition of "Subsidiary"- Change Revenue Threshold (D&O Coverage Section)	PG 00073 03/08 02	Endorseme New nt/Amendm ent/Condi ons	0.00	PG 00073 02 0308 Amend Definition of Subsidiary Change Revenue Threshold.pd f
Approved	Amend Definition of "Subsidiary"- Change Employee Threshold (EPL Coverage Section)	PG 00074 03/08 04	Endorseme New nt/Amendm ent/Condi ons	0.00	PG 00074 04 Amend Definition of Subsidiary (Change Employee Threshold).p df
Approved	Amend Notice Clause: Post Policy Reporting	PG 00075 03/08 02	Endorseme New nt/Amendm ent/Condi ons	0.00	PG 00075 02 0308 Amend Notice Clause Post Policy Reporting.pd f
Approved	Pending or Prior Litigation Exclusion- Increased Limits	PG 00077 03/08 00	Endorseme New nt/Amendm ent/Condi ons	0.00	PG 00077 00 Pending or Prior Litigation Exclusion -

SERFF Tracking Number: TSMP-125692194 State: Arkansas
 Filing Company: Allied World National Assurance Company State Tracking Number: #511760 \$50
 Company Tracking Number: AWNAC-PRIVATE-AR-01 (F)
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability
 Product Name: Allied World National Assurance Company Resolute Portfolio For Private Companies Program
 Project Name/Number: Resolute Portfolio For Private Companies Program/AWNAC-PRIVATE-AR-01 (F)

						Higher Limits.pdf
Approved	Amend Defense of Claim and Settlement Clause-Delete Insurer's Duty to Defend; With Option to Tender Defense	PG 00080 03/08 02	Endorsement/Amendment/Conditions	New	0.00	PG 00080 02 0308 Amend Defense of Claim and Settlement Clause Delete Insurer's Duty to Defend with Option to Tender Defense.pdf
Approved	Amend Definition of "Loss"- Investment Loss Coverage (Fiduciary Coverage Section)	PG 00081 03/08 00	Endorsement/Amendment/Conditions	New	0.00	PG 00081 00 Amend Definition of Loss - Include Investment Loss.pdf
Approved	Policyholder Disclosure Statement Under the Terrorism Risk Insurance Act	PG 00082 03/08 00	Endorsement/Amendment/Conditions	New	0.00	PG 00082 00 0308 Policyholder Disclosure Statement under TRIA.pdf
Approved	Exclusion of Certified Acts of Terrorism and Non-Certified Acts of Terrorism	PG 00083 03/08 00	Endorsement/Amendment/Conditions	New	0.00	PG 00083 00 0308 Exclusion of Certified Acts of Terror. & Non-

SERFF Tracking Number: TSMP-125692194 State: Arkansas
 Filing Company: Allied World National Assurance Company State Tracking Number: #511760 \$50
 Company Tracking Number: AWNAC-PRIVATE-AR-01 (F)
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability
 Product Name: Allied World National Assurance Company Resolute Portfolio For Private Companies Program
 Project Name/Number: Resolute Portfolio For Private Companies Program/AWNAC-PRIVATE-AR-01 (F)

Approval	Description	Policy	Effective Date	Endorsement	Amount	Attachment
Approved	Exclusion of Certified Acts of Terrorism	PG 00084	03/08	Endorsement/Amendment/Conditions	0.00	Certified Acts of Terror.PDF
Approved	Exclusion of Non-Certified Acts of Terrorism and Coverage of Certified Acts of Terrorism	PG 00085	03/08	Endorsement/Amendment/Conditions	0.00	PG 00084 00 0308 Exclusion of Certified Acts of Terrorism.pdf PG 00085 00 0308 Exclusion of Non-Certified Acts of Terrorism & Coverage of Certified Acts of Terror.PDF
Approved	Arkansas Amendatory Endorsement	PG 00026	03/08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 Previous Filing #:	Arkansas Private Amendatory Endorsement revised.pdf



ALLIED WORLD NATIONAL ASSURANCE COMPANY
225 Franklin Street, Boston, MA 02110 · Tel. (857) 288-6000 · Fax (617) 556-8060

RESOLUTE PORTFOLIO SM
For Private Companies
<or other Program name>

POLICY NUMBER:
RENEWAL OF:

NOTICE: EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS GENERALLY LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN.

NOTICE: THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR DEFENSE COSTS. AMOUNTS INCURRED FOR DEFENSE COSTS SHALL BE APPLIED AGAINST THE RETENTION AMOUNT.

NOTICE: THE INSURER HAS THE DUTY TO DEFEND ANY CLAIM UNDER THIS POLICY EXCEPT WITH RESPECT TO ANY CLAIM FOR WHICH THE POLICY SPECIFICALLY STATES THAT DUTY TO DEFEND COVERAGE IS NOT PROVIDED.

NOTICE: PLEASE READ THIS POLICY CAREFULLY AND DISCUSS THE COVERAGE HEREUNDER WITH YOUR INSURANCE AGENT OR BROKER.

DECLARATIONS

ITEM 1: PARENT COMPANY:

ADDRESS:

ITEM 2: POLICY PERIOD:

From: To:
(12:01 a.m. Standard Time at the address stated in Item 1)

ITEM 3: COVERAGE SECTIONS

This policy provides coverage only for the following Coverage Sections if purchased by the Insured and indicated by an X.

Table with 3 columns: Coverage Section, Yes, No. Rows include Directors & Officers Liability Coverage Section, Derivative Demand Coverage, Employment Practices Liability Coverage Section, Third-Party Liability Coverage, Fiduciary Liability Coverage Section, and Voluntary Compliance Program Coverage.

ITEM 4: LIMITS OF LIABILITY

The Limits of Liability of this policy apply solely to the Coverage Section(s) for which corresponding limit of liability amount is set forth below.

A. AGGREGATE LIMIT OF LIABILITY FOR EACH SEPARATE COVERAGE SECTION

(i)

Separate Coverage Section: Directors & Officers Liability	\$
Sublimit of Liability for Derivative Demand Coverage	\$

(ii)

Separate Coverage Section: Employment Practices Liability	\$
Sublimit of Liability for Third-Party Liability Coverage	\$

(iii)

Separate Coverage Section: Fiduciary Liability	\$
Sublimit of Liability for Voluntary Compliance Program Coverage	\$
Sublimit of Liability for HIPAA Claim Coverage	\$

Each Sublimit of Liability set forth in Item 4 A. above is part of, and not in addition to, the Limit of Liability for the corresponding Separate Coverage Section.

B. AGGREGATE LIMIT OF LIABILITY FOR EACH COMBINED COVERAGE SECTION

(i)

Combined Coverage Section: Directors & Officers Liability / Employment Practices Liability / Fiduciary Liability	\$
Sublimit of Liability for Derivative Demand Coverage	\$
Sublimit of Liability for Third-Party Liability Coverage	\$
Sublimit of Liability for Voluntary Compliance Program Coverage	\$
Sublimit of Liability for HIPAA Claim Coverage	\$

(ii)

Combined Coverage Section: Directors & Officers Liability / Employment Practices Liability	\$
Sublimit of Liability for Derivative Demand Coverage	\$
Sublimit of Liability for Third-Party Liability Coverage	\$

(iii)

Combined Coverage Section: Directors & Officers Liability / Fiduciary Liability	\$
Sublimit of Liability for Derivative Demand Coverage	\$
Sublimit of Liability for Voluntary Compliance Program Coverage	\$
Sublimit of Liability for HIPAA Claim Coverage	\$

DECLARATIONS (continued)

POLICY NO.

(iv)

Combined Coverage Section:	
Employment Practices Liability / Fiduciary Liability	\$
Sublimit of Liability for Third-Party Liability Coverage	\$
Sublimit of Liability for Voluntary Compliance Program Coverage	\$
Sublimit of Liability for HIPAA Claim Coverage	\$

Each Sublimit of Liability set forth in Item 4 B. above is part of, and not in addition to, the Limit of Liability for the corresponding Combined Coverage Section.

The Limits of Liability set forth in Item 4 A. and B. above are the maximum limits of liability for all **Loss** including **Defense Costs**, under the applicable Coverage Section(s).

C. AGGREGATE POLICY LIMIT OF LIABILITY \$

The Limit of Liability set forth in Item 4 C. above is the maximum limit of liability for all **Loss**, including **Defense Costs**, under the policy.

ITEM 5: RETENTION

A. Directors & Officers Liability Coverage Section:

(i) Insuring Agreement A.	\$
(ii) Insuring Agreement B. and C.	\$
(iii) Insuring Agreement D.	\$0

B. Employment Practices Liability Coverage Section:

(i) Insuring Agreement A. - Employment Practices Liability Coverage	\$
(ii) Insuring Agreement B. - Third-Party Liability Coverage	\$

C. Fiduciary Liability Coverage Section:

(i) Insuring Agreement A. - Fiduciary Liability Coverage	
All Claims, except HIPAA Claims	\$
HIPAA Claims	\$0
(ii) Insuring Agreement B. - Voluntary Compliance Program Coverage	\$0

ITEM 6: PENDING OR PRIOR DATE

A. Directors & Officers Liability Coverage Section:

(i) Insuring Agreement A.	
(ii) Insuring Agreement B. and C.	

B. Employment Practices Liability Coverage Section:

(i) Insuring Agreement A - Employment Practices Liability Coverage	
(ii) Insuring Agreement B. – Third-Party Liability Coverage	

C. Fiduciary Liability Coverage Section:

(i) Fiduciary Liability Coverage	
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ITEM 7: PREMIUM

A. Directors & Officers Liability Coverage Section:	\$
B. Employment Practices Liability Coverage Section:	\$
C. Fiduciary Liability Coverage Section:	\$
D. Total Policy Premium:	\$

ITEM 8: DISCOVERY PERIOD

- A. One Year: **100% of the applicable premium**
- B. Two Years: **150% of the applicable premium**
- C. Three to Six Years: **premium to be determined**

ITEM 9: ADDRESS OF INSURER AND ITS AUTHORIZED AGENTS FOR NOTICES UNDER THIS POLICY

A. Claims-Related Notices

LVL CLAIMS SERVICES, LLC
 111 JOHN STREET
 SUITE 1500
 NEW YORK, NEW YORK 10038
 E-mail: notice@lvlelaims.com

B. All Other Notices

(i) To the Insurer:

ALLIED WORLD NATIONAL ASSURANCE COMPANY
 ATTN: PROFESSIONAL LIABILITY UNDERWRITING
 199 WATER STREET
 NEW YORK, NY 10038

(ii) To the Program Manager:

C. V. STARR & COMPANY
ATTN: FINANCIAL LINES DEPARTMENT
90 PARK AVE. 6TH FLOOR
NEW YORK, NY 10016

<or other Program Manager name and contact information>

In Witness Whereof, the **Insurer** has caused this policy to be executed and attested. This policy shall not be valid unless countersigned by a duly authorized representative of the **Insurer**.



President



Asst. Secretary

AUTHORIZED REPRESENTATIVE

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ALLIED WORLD NATIONAL ASSURANCE COMPANY

RESOLUTE PORTFOLIO For Private Companies *<or other Program name>* **General Terms & Conditions Section**

In consideration of the payment of the premium and in reliance upon the **Application**, which shall be deemed to be attached to, incorporated into, and made a part of this policy, and subject to this General Terms & Conditions Section and any applicable Coverage Section(s), if purchased by the **Insured** as indicated in Item 3 of the Declarations, ALLIED WORLD NATIONAL ASSURANCE COMPANY (the “**Insurer**”) and the **Parent Company**, on behalf of all **Insureds**, agree as follows:

1. TERMS & CONDITIONS

The terms and conditions set forth in this General Terms & Conditions Section shall apply to all applicable Coverage Sections of this policy. The terms appearing in this General Terms & Conditions Section which are defined in a Coverage Section shall have the meaning provided for such terms in such Coverage Section for purposes of coverage under such Coverage Section. The terms and conditions of each Coverage Section apply only to that particular Coverage Section. If any term or condition in this General Terms & Conditions Section is inconsistent or in conflict with the terms and conditions of any Coverage Section, the terms and conditions of such Coverage Section shall control.

2. GENERAL DEFINITIONS

- (a) “**Application**” means all signed applications, including any attachments and other materials provided therewith or incorporated therein, submitted in connection with the underwriting of this policy or for any other policy of which this policy is a renewal, replacement or which it succeeds in time. **Application** shall also include, and incorporate, all publicly available documents.
- (b) “**Cleanup Costs**” means expenses (including but not limited to legal and professional fees) incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying or assessing the effects of **Pollutants**.
- (c) “**Company**” means:
 - (1) the **Parent Company**;
 - (2) any **Subsidiary** of the **Parent Company**; and
 - (3) any **Parent Company** or **Subsidiary** as a debtor, a debtor-in-possession or equivalent status;

provided, however, that Definition (c) (3) shall not apply to the Fiduciary Liability Coverage Section.

(d) **“Defense Costs”** means:

- (1) reasonable and necessary fees, costs, charges or expenses resulting from the investigation, defense or appeal of a **Claim**;
- (2) premium for an appeal, attachment or similar bond, but without any obligation to apply for and obtain such bond;
- (3) reasonable and necessary fees, costs, charges or expenses incurred in response to any extradition or similar proceeding brought against an **Insured** in connection with a **Claim**; and
- (4) any fees, costs, charges or expenses incurred by the **Insured** at the specific request of the **Insurer** to assist the **Insurer** in the investigation, defense or appeal of a **Claim**.

“Defense Costs” does not include: (i) amounts incurred prior to the date a **Claim** is first made and reported to the **Insurer**, pursuant to the terms of the applicable Coverage Section; and (ii) compensation or benefits of any **Insured Person** or any overhead expenses of the **Company**.

- (e) **“Financial Impairment”** means the **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 the **Company**.
- (f) **“Management Control”** means: (1) owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of: the board of directors of a corporation; the management committee members of a joint venture; or the members of the management board of a limited liability company; or (2) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of a **Company**, to elect, appoint or designate a majority of: the board of directors of a corporation; the management committee of a joint venture; or the management board of a limited liability company.
- (g) **“Parent Company”** means the entity named in Item 1 of the Declarations.
- (h) **“Policy Period”** means the period from the inception date shown in Item 2 of the Declarations to the earlier of the expiration date shown in Item 2 of the Declarations or the effective date of cancellation of this policy.
- (i) **“Pollutants”** means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on, any list of hazardous substances issued by the United States Environmental Protection Agency or any foreign, state, county, municipality, or locality counterpart thereof. Such substances shall include, without limitation, nuclear material or waste, any solid, liquid, gaseous or thermal irritant or contaminant, or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials. **Pollutants** shall also mean any other air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products and any noise.

- (j) **“Pollution”** means the actual, alleged or threatened discharge, dispersal, release, escape, seepage, transportation, emission, treatment, removal or disposal of **Pollutants** into or on real or personal property, water or the atmosphere. **Pollution** also means any **Cleanup Costs**.

3. LIMITS OF LIABILITY

The Aggregate Limit of Liability For Each Separate Coverage Section, as set forth in Item 4 A. of the Declarations, is the maximum limit of liability of the **Insurer** for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** (or Discovery Period, if applicable) and reported to the **Insurer** in accordance with the terms of this policy, for each applicable Separate Coverage Section.

The Aggregate Limit of Liability For Each Combined Coverage Section, as set forth in Item 4 B. of the Declarations, is the maximum limit of liability of the **Insurer** for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** (or Discovery Period, if applicable) and reported to the **Insurer** in accordance with the terms of this policy, for all of the Coverage Sections that comprise the applicable Combined Coverage Section. Any **Loss** paid under one of the Coverage Sections that comprises a Combined Coverage Section will reduce, and may exhaust, the limit of liability available under the other Coverage Section(s) that comprise(s) such Combined Coverage Section.

Any Sublimit(s) of Liability, whether set forth in Item 4 of the Declarations or as otherwise provided under the terms of this policy, shall be part of, and not in addition to, the applicable Aggregate Limit of Liability set forth in Item 4 A. or 4 B. of the Declarations. Each Sublimit of Liability is the maximum limit of liability of the **Insurer** for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** (or Discovery Period, if applicable) and reported to the **Insurer** in accordance with the terms of this policy, to which the Sublimit(s) of Liability applies.

The Aggregate Policy Limit of Liability, as set forth in Item 4 C. of the Declarations, is the maximum limit of liability of the **Insurer** for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** (or Discovery Period, if applicable) and reported to the **Insurer** in accordance with the terms of this policy, for all Coverage Section(s) combined.

If any Aggregate Limit of Liability as set forth in Item 4 A. or 4 B. of the Declarations is exhausted by the payment of **Loss**, all obligations of the **Insurer** under this policy as respects the applicable Coverage Section(s) will be completely fulfilled and the **Insurer** will have no further obligations under this policy of any kind as respects the applicable Coverage Section(s) and the premium as respects the applicable Coverage Section(s) as set forth in Item 7 of the Declarations will be fully earned.

Any payment of **Loss** under any Aggregate Limit of Liability as set forth in Item 4 A. or 4 B. of the Declarations shall reduce and may exhaust the Aggregate Policy Limit of Liability as set forth in Item 4 C. of the Declarations. If the Aggregate Policy Limit of Liability is exhausted by the payment of such **Loss**, the **Insurer** will have no further obligations of any kind as respects this policy and the applicable premium set forth in Item 7 of the Declarations will be fully earned.

Defense Costs are part of, and not in addition to, the Aggregate Limit of Liability as set forth in Item 4 of the Declarations for each applicable Coverage Section and payment by the **Insurer** of **Defense**

Costs shall reduce and may exhaust such Aggregate Limit(s) of Liability. **Defense Costs** are subject to the Aggregate Policy Limit of Liability set forth in Item 4 C. of the Declarations.

If a Discovery Period is purchased by the **Insured** pursuant to Clause 8 of this General Terms & Conditions Section, the Limit of Liability for the Discovery Period shall be part of, and not in addition to, the applicable Limits of Liability as set forth in Item 4 of the Declarations.

4. RETENTION CLAUSE

Subject to all other terms and conditions of this policy, the **Insurer** shall only be liable for the amount of **Loss** arising from a **Claim** which is in excess of the applicable Retention amount as set forth in Item 5 of the Declarations for each Insuring Agreement of the applicable Coverage Section(s). A single Retention amount shall apply to all **Loss** alleging the same or related **Wrongful Acts**. The Retention amount shall be borne by the **Insureds** and remain uninsured.

The application of a Retention to **Loss** under one Insuring Agreement shall not reduce the Retention that applies to **Loss** under any other Insuring Agreement. If different Retention amounts apply to different parts of a single **Loss**, the applicable Retention shall be applied separately to each part of the **Loss** and the sum of such Retention amounts shall not exceed the largest of the applicable Retention amounts as set forth in Item 5 of the Declarations.

If the **Company** is required or permitted to indemnify an **Insured Person** for any **Loss** pursuant to law, contract or the charter, bylaws, operating agreement or similar documents of a **Company** and does not do so for any reason, the **Insurer** shall not require payment of the applicable Retention by the **Insured Person**. However, the **Company** hereby agrees to reimburse the **Insurer** for the full amount of such applicable Retention, unless the **Company** is unable to do so because of **Financial Impairment**.

5. NOTICE OF CLAIM

The **Insured(s)** shall, as a condition precedent to the obligations of the **Insurer** under this policy, give written notice to the **Insurer's** authorized agent identified in Item 9 of the Declarations of a **Claim** made against an **Insured** as soon as practicable after any **Insured Person** becomes aware of the **Claim**; however, in no event shall such notice be provided later than thirty days after the expiration of the **Policy Period** (or Discovery Period, if applicable). If mailed, the date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

If written notice of a **Claim** has been given to the **Insurer** pursuant to this Clause 5, then a **Claim** which is subsequently made against an **Insured** and reported to the **Insurer** pursuant to this Clause 5, alleging, arising out of, based upon or attributable to the facts alleged in the previously noticed **Claim**, or alleging the same or related **Wrongful Act** alleged in the previously noticed **Claim**, shall be considered related to the previously noticed **Claim** and shall be deemed to have been made at the time notice of the previously noticed **Claim** was provided to the **Insurer**.

If during the **Policy Period** (or Discovery Period, if applicable) an **Insured** becomes aware of any circumstances which may reasonably be expected to give rise to a **Claim** being made against an

Insured, the **Insured** may provide written notice to the **Insurer's** authorized agent of such circumstances. This written notice shall include the **Wrongful Act** allegations anticipated and the reasons for anticipating a **Claim**, with full particulars as to dates, persons and entities involved. If a **Claim** is subsequently made against such **Insured** and reported to the **Insurer** arising out of, based upon or attributable to the previously noticed circumstances, such **Claim** shall be considered first made at the time notice of such circumstances was provided to the **Insurer**.

6. DEFENSE OF CLAIM AND SETTLEMENT

The **Insurer** has the right and duty to defend any **Claim** against any **Insured** covered under this policy, even if such **Claim** is false, fraudulent or groundless; however, the **Insurer** shall not have the right or duty to defend any **Claim** under: (1) Insuring Agreement D.: Derivative Demand Coverage of the Directors & Officers Liability Coverage Section; or (2) Insuring Agreement B: Voluntary Compliance Program Coverage of the Fiduciary Liability Coverage Section.

With respect to Insuring Agreement D.: Derivative Demand Coverage of the Directors & Officers Liability Coverage Section, the **Company**, and not the **Insurer**, has the duty to investigate and evaluate the **Derivative Demand**. The **Insurer** shall have the right to effectively associate with the **Company** in such process.

With respect to Insuring Agreement B: Voluntary Compliance Program Coverage of the Fiduciary Liability Coverage Section, the **Company**, and not the **Insurer**, has the duty to investigate and evaluate the **Voluntary Compliance Program Loss**. The **Insurer** shall have the right to effectively associate with the **Company** in such process, including the negotiation of any settlement as respects the **Voluntary Compliance Program Loss**.

The **Insured(s)** shall not admit or assume any liability, incur any **Defense Costs**, enter into any settlement agreement or stipulate to any judgment without the prior written consent of the **Insurer**. Any **Loss** incurred by the **Insured(s)** and/or any settlements or judgments agreed to by the **Insured(s)** without such consent shall not be covered by this policy. However, the **Insurer's** consent is not required for the **Insured** to settle a **Claim** for a **Loss** amount within the applicable Retention.

Each and every **Insured** shall give the **Insurer** full cooperation and such information as it may reasonably require relating to the defense and settlement of any **Claim** and the prosecution of any counterclaim, cross-claim or third-party claim, including without limitation the assertion of an **Insured's** indemnification or contribution rights.

The **Insurer** shall have the right to investigate and conduct negotiations and, with the **Insured's** consent, which shall not be unreasonably withheld, enter into the settlement of any **Claim** that the **Insurer** deems appropriate. In the event the **Insured** refuses to consent to a settlement acceptable to the claimant in accordance with the **Insurer's** recommendation, the **Insurer's** liability for **Loss** on account of such **Claim** shall not exceed: (1) the amount for which the **Insurer** could have settled the **Claim**; plus (2) any **Defense Costs** incurred up to the date the **Insured** refused to settle such **Claim**; plus (3) eighty percent (80%) of covered **Loss**, other than **Defense Costs**, in excess of the amount for which the **Insurer** could have settled the **Claim**. However, in no event shall the **Insurer's** liability exceed the applicable Limit of Liability as set forth in Item 4 of the Declarations.

The **Insurer** shall pay **Defense Costs** prior to the final disposition of any **Claim**, excess of the applicable retention and subject to all other terms and conditions of this policy. In the event and to the

extent that the **Insureds** shall not be entitled to payment of such **Loss** under the terms and conditions of this policy, such payments by the **Insurer** shall be repaid to the **Insurer** by the **Insureds**, severally according to their respective interests.

7. ALLOCATION

In the event the **Insured(s)** incurs **Loss** that is both covered and not covered by this policy, either because the **Claim** includes both covered and uncovered matters or because the **Claim** includes both insured and uninsured parties, the **Insured** and the **Insurer** agree to use their best efforts to determine a fair and appropriate allocation between covered and uncovered **Loss** based upon the relative legal and financial exposures of the parties to such matters. In the event of a settlement of such **Claim**, the allocation shall also be based upon the relative benefits to the **Insureds** from such a settlement.

If an allocation of **Loss** cannot be agreed to by the **Insurer** and the **Insured**: (1) the **Insurer** shall pay those amounts which it believes to be fair and equitable until an amount shall be agreed upon or determined pursuant to the provisions of this policy; and (2) there will be no presumption of allocation of **Loss** in any arbitration, suit or other proceeding.

8. DISCOVERY CLAUSE

If the **Company** or the **Insurer** refuses to renew one or more Coverage Sections of this policy, or if this policy is terminated by the **Insurer** for any reason (except for non-payment of premium), or if an **Organizational Change** as defined in Clause 13 occurs, the **Insured(s)** shall have the right to purchase a Discovery Period of up to six years following the effective date of such non-renewal, termination or **Organizational Change**. In the event of the non-renewal of one or more Coverage Sections of this policy, the **Insured** may purchase a Discovery Period solely as respects the Coverage Section(s) that has been non-renewed.

The **Insured's** right to purchase a Discovery Period shall lapse unless written notice of election to purchase such Discovery Period and the additional premium for such Discovery Period is received by the **Insurer** or its authorized agent within sixty days after such non-renewal, termination or **Organizational Change**. The additional premium for a Discovery Period of one or two years is set forth in Item 8 of the Declarations and shall be determined by multiplying the applicable percentage set forth in Item 8 of the Declarations by the premium for each applicable Coverage Section(s) as set forth in Item 7 of the Declarations. The additional premium for a Discovery Period of more than two years shall be determined by the **Insurer**.

During such **Discovery Period**, the **Insured** may provide the **Insurer** with written notice, pursuant to Clause 5 of this policy, of **Claims** made against an **Insured** solely with respect to **Wrongful Acts** occurring prior to the effective date of the non-renewal or termination of the policy or the effective date of the **Organizational Change** and otherwise covered by this policy.

The Limit of Liability for the Discovery Period shall be part of, and not in addition to, the applicable Limits of Liability set forth in Item 4 of the Declarations.

The Discovery Period premium shall be fully earned at the inception of the Discovery Period. The Discovery Period is non-cancellable.

9. OTHER INSURANCE

The insurance provided by this policy shall apply only as excess over any other valid and collectible insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically as excess insurance over the applicable Limit of Liability provided by this policy. This policy shall specifically be excess of any other valid and collectible insurance pursuant to which any other insurer has a duty to defend a **Claim** for which this policy may be obligated to pay **Loss**. This policy shall not be subject to the terms and conditions of any other insurance policy.

In connection with any covered **Claim** made against an **Outside Entity Insured Person**, a leased employee, or an **Independent Contractor**, and subject to all other terms and conditions herein, this policy shall apply specifically excess of any indemnification and any other insurance coverage available to an **Outside Entity Insured Person**, a leased employee or an **Independent Contractor**. In the event such other insurance coverage available to an **Outside Entity Insured Person**, a leased employee or an **Independent Contractor** is provided by the **Insurer** (or would be provided except for the application of any retention, exhaustion of a limit of liability or failure to submit notice of a claim) then the **Insurer's** maximum aggregate limit of liability for all **Loss** combined in connection with a **Claim** covered, in whole or in part, by this policy and such other insurance policy, shall be the greater of (1) the Limit of Liability of the applicable Coverage Section(s) of this policy; or (2) the limit of liability of such other insurance policy.

10. REPRESENTATIONS AND SEVERABILITY

It is agreed that the **Insurer** has relied upon the information contained in the **Application** in issuing this policy. In regard to the statements, warranties, representations and information contained in the **Application**, no knowledge of any **Insured** shall be imputed to any other **Insured** for the purpose of determining whether coverage is available under this policy for any **Claim** made against such **Insured**. However, the knowledge possessed by any **Insured Person** who is a past or current chairman of the board, chief executive officer, president or chief financial officer of the **Company** shall be imputed to the **Company**.

11. COVERAGE EXTENSIONS

This policy shall cover **Loss** arising from any **Claims** made against the estates, heirs, or legal representatives of any deceased person who was an **Insured Person** at the time the **Wrongful Acts** upon which such **Claims** are based were committed; provided, however, that this extension shall not afford coverage for any **Claim** for any actual or alleged **Wrongful Act** by or on the part of any such estates, heirs, or legal representatives, but shall apply only to **Claims** arising out of any actual or alleged **Wrongful Acts** of an **Insured Person**.

This policy shall also cover **Loss** arising from any **Claims** made against the legal representatives of any incompetent, insolvent or bankrupt person who was an **Insured Person** at the time the **Wrongful Acts** upon which such **Claims** are based were committed; provided, however, that this extension shall not afford coverage for any **Claim** for any actual or alleged **Wrongful Act** by or on the part of any such legal representatives, but shall apply only to **Claims** arising out of any actual or alleged **Wrongful Acts** of an **Insured Person**.

This policy shall also cover **Loss** arising from any **Claims** made against the lawful spouse or domestic partner (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world or any formal program established by the **Company**) of an **Insured Person** for all **Claims** arising solely out of his or her status as the spouse or domestic partner of an **Insured Person**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by the **Insured Person** and the spouse or domestic partner, or property transferred from the **Insured Person** to the spouse or domestic partner; provided, however, that this extension shall not afford coverage for any **Claim** for any actual or alleged **Wrongful Act** by or on the part of the spouse or domestic partner, but shall apply only to **Claims** arising out of any actual or alleged **Wrongful Acts** of an **Insured Person**.

The coverage extensions set forth in this Clause 11 are subject to all other terms and conditions of this policy.

12. CANCELLATION AND NON RENEWAL CLAUSE

This policy, or any applicable Coverage Section(s), may be cancelled by the **Parent Company** by sending written prior notice to the **Insurer** or its authorized agent as set forth in Item 9 of the Declarations stating when thereafter the cancellation of the policy, or the applicable Coverage Section(s), shall be effective. The policy, or the applicable Coverage Section(s), terminates at the date and hour specified in such notice. This policy may also be cancelled by the **Parent Company** by surrender of this policy to the **Insurer** or its authorized agent as set forth in Item 9 of the Declarations. The policy terminates as of the date and time of surrender. The **Insurer** shall retain the customary short rate proportion of the premium, unless stated otherwise herein.

This policy, or any applicable Coverage Section(s), shall not be cancelled by or on behalf of the **Insurer** except by reason of non-payment of the premium set forth in Item 7 of the Declarations. The **Insurer** may cancel the policy by delivering to the **Parent Company** or by mailing to the **Parent Company**, by registered mail, or by courier at the **Parent Company's** address set forth in the Declarations, written notice stating when, not less than twenty (20) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice. In the event of such cancellation, the policy will be deemed terminated as of the date indicated in the **Insurer's** written notice of cancellation to the **Parent Company**.

Payment or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable. If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

The **Insurer** shall have no obligation to renew this policy or any applicable Coverage Section. In the event the **Insurer** decides to non-renew this policy or any applicable Coverage Section, it shall deliver or mail to the **Parent Company**, as identified in Item 1 of the Declarations, written notice of such decision at least sixty (60) days prior to the expiration of the **Policy Period**.

13. ORGANIZATIONAL CHANGES

If during the **Policy Period**:

- (1) the **Parent Company** shall consolidate with, merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
- (2) any person or entity or group of persons or entities acting in concert shall acquire more than 50% of the **Parent Company**,

(any events described in (1) or (2) are referred to herein as an “**Organizational Change**”) then this policy shall continue in full force and effect as to **Wrongful Acts** occurring prior to the effective time of an **Organizational Change**. However, there shall be no coverage afforded by this policy for any actual or alleged **Wrongful Act** occurring after the effective time of the **Organizational Change**. This policy shall be non-cancellable and the entire premium shall be deemed fully earned upon the effective time of the **Organizational Change**. The **Insured(s)** shall also have the right to purchase a Discovery Period described in Clause 8 in the event of an **Organizational Change**.

The **Parent Company** shall give the **Insurer** written notice of the **Organizational Change** as soon as practicable, but no later than thirty days after the effective date of the **Organizational Change**.

14. AUTHORIZATION AND NOTICES

The **Parent Company** shall act on behalf of all **Insureds** with respect to all matters as respects this policy including: (1) giving of notice of **Claim**; (2) giving and receiving of all correspondence and information; (3) giving and receiving notice of cancellation; (4) payment of premiums; (5) receiving of any return premiums; (6) receiving and accepting of any endorsements issued to form a part of this policy; and (7) the exercising of any right to a Discovery Period.

15. VALUATION AND CURRENCY

All amounts stated in this policy are expressed in United States dollars and all amounts payable under this policy are payable in United States dollars. If a judgment rendered or settlement entered into under this policy are stated in a currency other than United States dollars, then payment under this policy shall be made in United States dollars at the rate of exchange published in the *Wall Street Journal* on the date the final judgment is rendered or the settlement payment is established.

16. TERRITORY

This policy extends to **Wrongful Acts** occurring, or **Claims** made, anywhere in the world to the extent permitted by law.

17. ASSIGNMENT AND CHANGES TO THE POLICY

This policy and any and all rights hereunder are not assignable without the prior written consent of the **Insurer**.

Notice to any agent or knowledge possessed by any agent or person acting on behalf of the **Insurer**, other than the **Insurer's** authorized agent as identified in Item 9 of the Declarations, will not result in a waiver or change in any part of this policy or prevent the **Insurer** from asserting any right under the terms and conditions of this policy. The terms and conditions of this policy may only be waived or changed by written endorsement signed by the **Insurer** or its authorized agent.

18. BANKRUPTCY

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

It is understood and agreed that the coverage provided under this policy is intended to protect and benefit the **Insured Persons**. Further, if a liquidation or reorganization proceeding involving the **Company** is commenced (whether voluntarily or involuntarily) under Title 11 of the United States Code (as amended), or any similar state, local or foreign law (collectively "Bankruptcy Law") then, in regard to a covered **Claim** under this policy, the **Insureds** shall:

- a. waive and release any automatic stay or injunction to the extent it may apply in such proceeding to the policy or its proceeds under such Bankruptcy Law; and
- b. agree not to oppose or object to any efforts by the **Company**, the **Insurer** or any **Insured Person** to obtain relief from any such stay or injunction.

In the event the **Company** becomes a debtor-in-possession or equivalent status under such Bankruptcy Law, and the total covered **Loss** under this policy exceeds the available applicable Limit of Liability, the **Insurer** shall:

- a. first pay the **Loss** allocable to **Wrongful Acts** that are actually or allegedly caused, committed, or attempted prior to the **Company** becoming a debtor-in-possession or some equivalent status, then
- b. pay any remaining **Loss** allocable to **Wrongful Acts** that are actually or allegedly caused, committed, or attempted after the **Company** became a debtor-in-possession or some equivalent status.

19. SUBROGATION

In addition to any right of subrogation existing at law, in equity or otherwise, in the event of any payment by the **Insurer** under this policy, the **Insurer** shall be subrogated to the extent of such payment to all of the **Insured(s)**' rights of recovery. The **Insured(s)** shall execute all papers required (including those documents necessary for the **Insurer** to bring suit or other form of proceeding in their name) and do everything that may be necessary to pursue and secure such rights.

20. ACTION AGAINST THE INSURER

No action may be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all material terms of this policy and the amount of the **Insured's** obligation

has been fully determined either by judgment against the **Insured** after actual trial, or by written agreement of the **Insured**, the claimant and the **Insurer**.

No person or entity shall have any right under this policy to join the **Insurer** as a party to any action against any **Insured** to determine such **Insured's** liability nor shall the **Insurer** be impleaded by such **Insured** or legal representatives of such **Insured**.

21. CONFORMITY TO STATUTE

Any terms of this policy which are in conflict with the terms of any applicable laws construing this policy, including any endorsement to this policy which is required by any state Department of Insurance, or equivalent authority ("State Amendatory Endorsement"), are hereby amended to conform to such laws. Nothing herein shall be construed to restrict the terms of any State Amendatory Endorsement.

In the event any portion of this policy shall be declared or deemed invalid or unenforceable under applicable law, such invalidity or unenforceability shall not affect the validity or enforceability of any other portion of this policy.

22. HEADINGS

The descriptions in the headings and any subheading of this policy (including any titles given to any endorsement attached hereto) are inserted solely for convenience and do not constitute any part of this policy's terms or conditions.

ALLIED WORLD NATIONAL ASSURANCE COMPANY

RESOLUTE PORTFOLIOSM

For Private Companies

<or other Program name>

Directors & Officers Liability Coverage Section

In consideration of the payment of the premium and in reliance upon the **Application**, which shall be deemed to be attached to, incorporated into, and made a part of this policy, and subject to the General Terms & Conditions Section and this Coverage Section, if purchased by the **Insured** as indicated in Item 3 of the Declarations, ALLIED WORLD NATIONAL ASSURANCE COMPANY (the “**Insurer**”) and the **Parent Company**, on behalf of all **Insureds**, agree as follows:

1. INSURING AGREEMENTS

- A.** The **Insurer** shall pay on behalf of any **Insured Person** the **Loss** arising from a **Claim** first made during the **Policy Period** (or Discovery Period, if applicable) against such **Insured Person** for any **Wrongful Act**, and reported to the **Insurer** in accordance with the terms of this policy, except if the **Company** has indemnified the **Insured Person** for such **Loss**.
- B.** The **Insurer** shall pay on behalf of the **Company** the **Loss** arising from a **Claim** first made during the **Policy Period** (or Discovery Period, if applicable) against any **Insured Person** for any **Wrongful Act**, and reported to the **Insurer** in accordance with the terms of this policy, if the **Company** has indemnified the **Insured Person** for such **Loss**.
- C.** The **Insurer** shall pay on behalf of the **Company** the **Loss** arising from a **Claim** first made during the **Policy Period** (or Discovery Period, if applicable) against the **Company** for any **Wrongful Act**, and reported to the **Insurer** in accordance with the terms of this policy.
- D.** The **Insurer** shall reimburse the **Company** for the **Derivative Costs** incurred by the **Company** in response to a **Derivative Demand** first made during the **Policy Period** (or Discovery Period, if applicable) for any **Wrongful Act** of any **Executive**, and reported to the **Insurer** in accordance with the terms of this policy. This Insuring Agreement D. shall apply only if purchased by the **Insured** as indicated in Item 3 of the Declarations and is subject to the Sublimit of Liability set forth in Item 4 of the Declarations which is the **Insurer’s** maximum limit of liability under this Insuring Agreement D. for all **Derivative Costs** arising from all **Derivative Demands**. The Sublimit of Liability for **Derivative Costs** shall be part of, and not in addition to, the Limit of Liability applicable to this Coverage Section. This Insuring Agreement D. shall not provide coverage for any civil proceeding that is based upon or arises from a **Derivative Demand**.

2. DEFINITIONS

(a) “**Claim**” means any:

- (1) written demand for monetary, non-monetary or injunctive relief made against an **Insured**;

- (2) judicial, administrative or regulatory proceeding, whether civil or criminal, for monetary, non-monetary or injunctive relief commenced against an **Insured**, including any appeal therefrom, which is commenced by:
 - (i) service of a complaint or similar pleading;
 - (ii) return of an indictment, information or similar document (in the case of a criminal proceeding); or
 - (iii) receipt or filing of a notice of charges;
 - (3) arbitration proceeding commenced against an **Insured** by service of a demand for arbitration;
 - (4) formal civil, criminal, 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 identifying such **Insured Person** as a person against whom a proceeding identified in (2) or (3) above may be commenced;
 - (5) written request to toll or waive the applicable statute of limitations relating to a potential **Claim** against an **Insured** for a **Wrongful Act**; or
 - (6) **Derivative Demand**, solely under Insuring Agreement D. if purchased by the **Insured**.
- (b) **“Derivative Costs”** means the reasonable and necessary fees, costs, charges, or expenses incurred by the **Company**, its board of directors or any committee of its board of directors, solely in response to a **Derivative Demand** and do not include any settlements, judgments or damages, nor any compensation or benefits of any **Insured Persons**, or any overhead expenses of the **Company**. **Derivative Costs** shall be reimbursed by the **Insurer** sixty (60) days after the **Company** provides written notice to the **Insurer** of its final decision not to bring a civil proceeding against an **Executive**.
- (c) **“Derivative Demand”** means a written demand by one or more shareholders of the **Company** upon the **Company’s** board of directors to bring a civil proceeding on behalf of the **Company** against any **Executive** for a **Wrongful Act**.
- (d) **“Employee”** means:
- (1) any person who was, now is, or shall become a full-time, part-time, seasonal, or temporary employee of the **Company**, other than an **Executive**, but only while that person is acting in the capacity as such;
 - (2) any person leased to the **Company** so long as this person is working solely for the **Company** and only for conduct within his or her duties as such, but only if the **Company** indemnifies such leased person in the same manner as the **Company’s** employees; and
 - (3) any volunteer whose labor and service is engaged and directed by the **Company**, but only while that person is acting in the capacity as such.
- (e) **“Executive”** means any:
- (1) past, present or future duly elected or appointed director, officer, trustee, governor, management committee member or member of the board of managers;

- (2) past, present or future person in a duly elected or appointed position in an entity which is organized and operated in a foreign jurisdiction that is equivalent to an executive position listed in item (1) above; or
- (3) past, present or future general counsel and risk manager (or equivalent position) of the **Company**.

(f) **“Insured”** means the **Company** and any **Insured Person**.

(g) **“Insured Person(s)”** means any:

- (1) **Executive**;
- (2) **Employee**; or
- (3) **Outside Entity Insured Person**.

(h) **“Loss”** means:

- (1) damages, settlements or judgments;
- (2) pre-judgment or post-judgment interest;
- (3) costs or fees awarded in favor of the claimant;
- (4) punitive, exemplary or the multiplied portion of any multiple damages awards, but only to the extent that such damages are insurable under the applicable law most favorable to the insurability of such damages;
- (5) **Derivative Costs**, solely under Insuring Agreement D. if purchased by the **Insured**; and
- (6) **Defense Costs**.

“Loss” does not include:

- (i) any amounts for which the **Insureds** are not legally liable;
- (ii) any amounts which are without legal recourse to the **Insureds**;
- (iii) taxes;
- (iv) fines and penalties, except as provided for in Definition (h) (4) above;
- (v) matters which may be deemed uninsurable under applicable law; or
- (vi) any amounts paid or incurred in complying with a judgment or settlement for non-monetary or injunctive relief, but solely as respects the **Company**.

(i) **“Outside Entity”** means: (1) any not-for-profit entity which is exempt from taxation under Section 501(c)(3), (4) or (10) of the IRS Code, as amended, or any rule or regulation promulgated thereunder; or (2) any other entity listed as such by endorsement to this policy, for which an **Executive** acts as a director, officer, trustee or governor (or the equivalent thereof) at the written request of the **Company**. Any such person shall be referred to herein as an **“Outside Entity**

Insured Person”, but only while that person is acting in the capacity as a director, officer, trustee or governor (or the equivalent thereof) of an **Outside Entity**.

(j) **“Securities Claim”** means a **Claim**, other than an administrative or regulatory proceeding against the **Company** or an investigation of the **Company**, made against any **Insured**:

- (1) alleging a violation of any foreign, federal, state or local regulation, rule or statute regulating securities, including, but not limited to, the purchase or sale, or offer or solicitation of an offer to purchase or sell securities which is:
 - (i) brought by any person or entity alleging, arising out of, based upon or attributable to the purchase or sale, or offer or solicitation of an offer to purchase or sell, any securities of the **Company**; or
 - (ii) brought by a security holder of the **Company** with respect to such security holder’s interest in securities of such **Company**; or
- (2) brought derivatively on behalf of the **Company** by a security holder of such **Company**.

Notwithstanding the foregoing, **Securities Claim** shall include any formal administrative or regulatory proceeding against the **Company**, but only if and only during the time that such proceeding also constitutes a **Securities Claim** commenced and continuously maintained against an **Insured Person**.

The **Insurer** shall not assert that a **Loss** incurred in a **Securities Claim** alleging violations of Section 11 or 12 of the Securities Act of 1933, as amended, constitutes uninsurable loss and, subject to all other terms and conditions of this policy, shall deem that portion of such **Loss** as constituting **Loss** under this policy.

(k) **“Subsidiary”** means any privately-held for-profit entity (except a partnership) of which the **Parent Company**:

- (1) has **Management Control** (“Controlled Entity”) before the inception of the **Policy Period**, either directly or indirectly through one or more other Controlled Entities;
- (2) first acquires **Management Control** during the **Policy Period**, either directly or indirectly through one or more other Controlled Entities, if such entity’s annual revenue totals less than 25% of the consolidated revenue of the **Parent Company** as of its latest fiscal year; or
- (3) first acquires **Management Control** during the **Policy Period**, either directly or indirectly through one or more other Controlled Entities, if such entity’s annual revenue totals 25% or more of the consolidated revenue of the **Parent Company** as of its latest fiscal year, but only if the **Parent Company** provides the **Insurer** with full particulars of the new **Subsidiary** within ninety (90) days after its creation or acquisition and pays any additional premium with respect to such entity within thirty (30) days after being requested to do so by the **Insurer**;

provided, however, that **Subsidiary** as defined in items (2) and (3) above shall not mean any entity which is a financial institution, including but not limited to a bank, insurance company, insurance agent/broker, securities broker/dealer, investment advisor, mutual fund or hedge fund, unless such entity is included in the definition of **Subsidiary** by specific written endorsement attached to this policy.

“**Subsidiary**” also means any not-for-profit entity which is under the exclusive control of the **Company**.

With respect to a **Claim** made against any **Subsidiary** or any **Insured Person** thereof, this policy shall only apply to **Wrongful Acts** committed or allegedly committed after the effective time such entity becomes a **Subsidiary** and prior to the effective time that such entity ceases to be a **Subsidiary**.

(l) “**Wrongful Act(s)**” means:

- (1) with respect to an **Insured Person**, any actual or alleged act, error, omission, neglect, breach of duty, breach of trust, misstatement, or misleading statement by an **Insured Person** in his or her capacity as such or any matter claimed against an **Insured Person** by reason of such capacity;
- (2) with respect to an **Outside Entity Insured Person**, any actual or alleged act, error, omission, neglect, breach of duty, breach of trust, misstatement, or misleading statement by a person in his or her capacity as an **Outside Entity Insured Person** or any matter claimed against such **Outside Entity Insured Person** by reason of such capacity; or
- (3) with respect to the **Company**, any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act by the **Company**.

3. EXCLUSIONS

This policy shall not cover any **Loss** in connection with any **Claim**:

- (a) arising out of, based upon or attributable to the gaining of any profit or advantage or improper or illegal remuneration if a final judgment or adjudication establishes that such **Insured** was not legally entitled to such profit or advantage or that such remuneration was improper or illegal;
- (b) arising out of, based upon or attributable to any deliberate fraudulent act or any willful violation of law by an **Insured** if a final judgment or adjudication establishes that such act or violation occurred;
- (c) arising out of, based upon or attributable to the purchase or sale by an **Insured** of securities of the **Company** within the meaning of Section 16(b) of the Securities Exchange Act of 1934 and any amendments thereto or similar provisions of any state statutory law if a final judgment or adjudication establishes that a violation of Section 16(b) occurred;

In determining the applicability of Exclusions (a), (b) and (c), the facts pertaining to, the knowledge possessed by, or any **Wrongful Act** committed by, any **Insured** shall not be imputed to any other **Insured**; however, the facts pertaining to, the knowledge possessed by, or any **Wrongful Act** committed by, an **Insured Person** who is a past or current chairman of the board, chief executive officer, president or chief financial officer of the **Company** shall be imputed to the **Company**.

- (d) alleging, arising out of, based upon or attributable to any facts or circumstances of which an **Insured Person** had actual knowledge or information of, as of the Pending or Prior Date set

forth in Item 6 of the Declarations as respects this Coverage Section, and that he or she reasonably believed may give rise to a **Claim** under this policy;

- (e) based upon, arising from, or in consequence of any actual or alleged liability of any **Insured** under any express contract or agreement, except to the extent that such **Insured** would have been liable in the absence of such contract or agreement; provided, however, that this exclusion shall apply only to any **Claim** under Insuring Agreement C.;
- (f) alleging, arising out of, based upon or attributable to, as of the Pending or Prior Date set forth in Item 6 of the Declarations as respects this Coverage Section, any pending or prior: (1) litigation; or (2) administrative or regulatory proceeding or investigation of which an **Insured** had notice, including any **Claim** alleging or derived from the same or essentially the same facts, or the same or related **Wrongful Act(s)**, as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;
- (g) alleging, arising out of, based upon or attributable to the same or essentially the same facts alleged, or to the same or related **Wrongful Act(s)** alleged or contained in any **Claim** which has been reported, or in any circumstances of which notice has been given, before the inception date of this policy as set forth in Item 2 of the Declarations, under any policy, whether excess or underlying, of which this policy is a renewal or replacement or which it may succeed in time;
- (h) alleging, arising out of, based upon or attributable to any actual or alleged act or omission of any **Insured Person** serving in any capacity other than as an **Executive** or an **Employee** or an **Outside Entity Insured Person**;
- (i) brought by or on behalf of any **Insured**, other than an **Employee**; provided, however, that this exclusion shall not apply to:
 - (i) any **Claim** brought by an **Insured Person** that 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 under the terms of this Coverage Section;
 - (ii) a shareholder derivative action, but only if such action is brought and maintained without the solicitation, approval, assistance, active participation or intervention of any **Insured**;
 - (iii) any **Claim** brought by any **Executive** who has not served in such capacity, nor has acted as a consultant to the **Company**, for at least three (3) years prior to the **Claim** being first made;
 - (iv) any **Claim** brought against an **Insured Person** arising out of or based upon any protected activity specified in any "whistleblower" protection pursuant to any foreign, federal, state or local law;
 - (v) any **Claim** brought by any **Executive** of a **Company** formed and operating in a foreign jurisdiction against such **Company** and any **Insured Person** thereof, provided that such **Claim** is brought and maintained outside the United States, Canada or any other common law country (including any territories thereof); or
 - (vi) any **Claim** brought or maintained by or on behalf of a bankruptcy or insolvency trustee, examiner, receiver or similar official for the **Company** or any assignee of such trustee, examiner, receiver or similar official.

- (j) alleging, arising out of, based upon, attributable to, directly or indirectly resulting from, or in consequence of, or in any way involving, **Pollution**; provided, however, that this exclusion shall not apply to any **Claim** under Insuring Agreement A. or any **Securities Claim**, except for **Loss** constituting **Cleanup Costs**;
- (k) alleging, arising out of, based upon or attributable to any actual or alleged violation of the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and any amendments thereto, or any similar foreign, federal, state or statutory law or common law;
- (l) alleging, arising out of, based upon, attributable to, or in any way involving, directly or indirectly any public offering of securities by the **Company** or an **Outside Entity**, or alleging a purchase or sale of such securities subsequent to such public offering; provided, however, that this exclusion shall not apply to:
 - (i) any purchase or sale of securities exempted pursuant to Section 3(b) of the Securities Act of 1933. Coverage for such purchase or sale transaction shall be conditioned solely upon the **Company** giving the **Insurer** written notice of any such public offering, including all details thereof, as soon as practicable, but not later than thirty days after the effective date of such offering; or
 - (ii) any public offering of securities, other than an offering described in paragraph (i) above, as well as any purchase or sale of securities subsequent to such public offering. Coverage for such transaction shall be conditioned upon, within thirty days prior to the effective time of such public offering, the **Company**: (a) giving the **Insurer** written notice of such offering, including all details thereof, and any underwriting information required by the **Insurer**; and (b) accepting such terms, conditions and additional premium required by the **Insurer** for such coverage. Coverage provided pursuant to this paragraph is also subject to the **Company** paying such additional premium when due. The **Insurer** shall provide the **Company** with a quote for such coverage if the **Company** gives written notice of the offering as required in this paragraph.
- (m) for any **Wrongful Act** arising out of any **Insured Person** serving as a director, officer, trustee or governor of an **Outside Entity** if such **Claim** is brought by the **Outside Entity** or by any director, officer, trustee or governor thereof; or which is brought by any securities holder of the **Outside Entity**, whether directly or derivatively, unless such securities holder's **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of, the **Outside Entity**, any director, officer, trustee or governor thereof, an **Executive** or the **Company**; provided, however, that this exclusion shall not apply to:
 - (i) any **Claim** brought by any director, officer, trustee or governor of an **Outside Entity** 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 under the terms of this Coverage Section;
 - (ii) any **Claim** brought or maintained by or on behalf of a bankruptcy or insolvency trustee, examiner, receiver or similar official for the **Outside Entity** or any assignee of such trustee, examiner, receiver or similar official;

- (iii) any **Claim** brought by any director, officer, trustee or governor of an **Outside Entity** who has not served in such capacity, nor acted as a consultant to the **Outside Entity**, for at least three (3) years prior to such **Claim** being first made; or
- (iv) any **Claim** brought by any director, officer, trustee or governor of an **Outside Entity**, formed and operating in a foreign jurisdiction against any **Outside Entity Insured Person** of such **Outside Entity**, provided that such **Claim** is brought and maintained outside the United States, Canada or any other common law country (including any territories thereof);
- (n) for bodily injury, sickness, mental anguish, emotional distress, libel, slander, oral or written publication of defamatory or disparaging material, violation of any right of privacy, disease or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof; provided, however, that this exclusion shall not apply to any **Securities Claim**;
- (o) alleging, arising out of, based upon, or attributable to any actual or alleged: (i) violation of the Foreign Corrupt Practices Act, any rules or regulations of the foregoing promulgated thereunder, and any amendments thereto, or any similar foreign, federal, state or statutory law or common law; (ii) payments, commissions, gratuities, benefits or other favors for the direct or indirect benefit of any officials, directors, agents, partners, representatives, principal shareholders, or owners of the **Company** or employees of any customers of the **Company**; or (iii) political contributions;
- (p) alleging, arising out of, based upon, or attributable to any actual or alleged discrimination, harassment, retaliation, wrongful discharge, termination or any other employment-related or employment practice claim, including but not limited to any wage-hour claim or any third-party discrimination or harassment claim; provided, however, that this exclusion shall not apply to any **Securities Claim**;
- (q) alleging, arising out of, based upon, or attributable to the ownership, management, maintenance, operation and/or control by the **Company** of any captive insurance company or entity, including but not limited to any **Claim** alleging the insolvency or bankruptcy of the **Company** as a result of such ownership, management, maintenance, operation and/or control;
- (r) alleging, arising out of, based upon, or attributable to based upon, arising from, or in consequence of any actual or alleged plagiarism, infringement or violation of any copyright, patent, trademark or service mark or the misappropriation of intellectual property, ideas or trade secrets; provided, however, that this exclusion shall apply only to any **Claim** under Insuring Agreement C.;
- (s) alleging, arising out of, based upon or attributable to the rendering or failure to render any professional service to a customer or client of the **Insured**; provided, however, that this exclusion shall not apply to any **Securities Claim**, but only if such **Securities Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of, the **Company** or any **Insured Person**.

4. ORDER OF PAYMENTS

In the event of **Loss** arising from a covered **Claim** for which payment is due under the provisions of this Coverage Section, the **Insurer** shall in all events:

- (1) first, pay **Loss** for which coverage is provided under this Coverage Section for any **Insured Person** under Insuring Agreement A.;
- (2) second, only after payment of **Loss** has been made pursuant to item (1) above, with respect to whatever remaining amount of any Limit of Liability applicable to this Coverage Section is available, pay the **Loss** for which coverage is provided under this Coverage Section for the **Company** under Insuring Agreement B.; and
- (3) third, only after payment of **Loss** has been made pursuant to items (1) and (2) above, with respect to whatever remaining amount of any Limit of Liability applicable to this Coverage Section is available, pay the **Loss** for which coverage is provided under this Coverage Section for the **Company** under Insuring Agreement C. and D.

5. NON-RESCINDABLE CLAUSE

The **Insurer** irrevocably waives any right it may have to rescind coverage available under Insuring Agreement A. of this Coverage Section, in whole or in part, on any grounds.

ALLIED WORLD NATIONAL ASSURANCE COMPANY

RESOLUTE PORTFOLIOSM

For Private Companies

<or other Program name>

Employment Practices Liability Coverage Section

In consideration of the payment of the premium and in reliance upon the **Application**, which shall be deemed to be attached to, incorporated into, and made a part of this policy, and subject to the General Terms & Conditions Section and this Coverage Section, if purchased by the **Insured** as indicated in Item 3 of the Declarations, ALLIED WORLD NATIONAL ASSURANCE COMPANY (the “**Insurer**”) and the **Parent Company**, on behalf of all **Insureds**, agree as follows:

1. INSURING AGREEMENTS

A. Employment Practices Liability Coverage

The **Insurer** shall pay on behalf of any **Insured** the **Loss** arising from a **Claim** first made during the **Policy Period** (or Discovery Period, if applicable) against such **Insured** for any **Wrongful Act**, and reported to the **Insurer** in accordance with the terms of this policy.

B. Third-Party Liability Coverage (Optional)

The **Insurer** shall pay on behalf of any **Insured** the **Loss** arising from a **Third-Party Claim** first made during the **Policy Period** (or Discovery Period, if applicable) against such **Insured** for any **Third-Party Wrongful Act**, and reported to the **Insurer** in accordance with the terms of this policy. This Insuring Agreement B. shall apply only if purchased by the **Insured** as indicated in Item 3 of the Declarations and is subject to the Sublimit of Liability set forth in Item 4 of the Declarations which is the **Insurer’s** maximum limit of liability under this Insuring Agreement B. for all Loss arising from all **Third-Party Claims**. The Sublimit of Liability for **Third-Party Claims** shall be part of, and not in addition to, the Limit of Liability applicable to this Coverage Section.

2. DEFINITIONS

- (a) “**Benefits**” means perquisites, fringe benefits, deferred compensation or payments (including insurance premiums) in connection with any employee-related plan. **Benefits** shall not include salary, wages, bonuses or non-deferred cash incentive compensation.
- (b) “**Claim**” means any:
 - (1) written demand for monetary, non-monetary or injunctive relief made against an **Insured**;

- (2) judicial, administrative or regulatory proceeding, whether civil or criminal, for monetary, non-monetary or injunctive relief commenced against an **Insured**, including any appeal therefrom, which is commenced by:
 - (i) service of a complaint or similar pleading;
 - (ii) return of an indictment, information or similar document (in the case of a criminal proceeding); or
 - (iii) receipt or filing of a notice of charges;
- (3) arbitration proceeding commenced against an **Insured** by service of a demand for arbitration;
- (4) notification of an investigation of an **Insured** by the Equal Employment Opportunity Commission (“EEOC”) or similar governmental agency commenced by the filing of a notice of charges, formal investigative order or similar document;
- (5) audit of an **Insured** conducted by the United States of America Office of Federal Contract Compliance Programs (“OFCCP”), but only if commenced by the receipt of a notice of violation, order to show cause, or a written demand for monetary or non-monetary or injunctive relief;
- (6) written request to toll or waive the applicable statute of limitations relating to a potential **Claim** against an **Insured** for a **Wrongful Act**; or
- (7) **Third-Party Claim**, solely under Insuring Agreement B. if purchased by the **Insured**.

Claim shall not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

- (c) “**Discrimination**” means any violation of employment discrimination laws, including but not limited to any actual, alleged or constructive employment termination, dismissal, or discharge, employment demotion, denial of tenure, modification of any term or condition of employment, any failure or refusal to hire or promote, or any limitation or segregation of any **Employee** or applicant for employment by the **Company** in any way that would deprive any person of employment opportunities based on such person's race, color, religion, creed, age, sex, disability, marital status, national origin, pregnancy, HIV status, sexual orientation or preference, veteran status or any other status that is protected pursuant to any foreign, federal, state, or local statutory law or common law.
- (d) “**Employee**” means any:
 - (1) person who was, now is, or shall become a full-time, part-time, seasonal, or temporary employee of the **Company**, but only while that person is acting in the capacity as such;
 - (2) person leased to the **Company** or any **Independent Contractor** so long as this person is working solely for the **Company** and only for conduct within his or her duties as such, but only if the **Company** indemnifies such leased person or **Independent Contractor** in the same manner as the **Company’s** employees; and
 - (3) volunteer whose labor and service is engaged and directed by the **Company**, but only while that person is acting in the capacity as such.

- (e) **“Executive”** means:
- (1) any past, present or future duly elected or appointed director, officer, trustee, governor, management committee member or member of the board of managers, but only while that person is acting in the capacity as such; or
 - (2) any past, present or future person in a duly elected or appointed position in an entity which is organized and operated in a foreign jurisdiction that is equivalent to an executive position listed in (1) above, but only while that person is acting in the capacity as such.
- (f) **“Harassment”** means:
- (1) sexual harassment, including unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature that is made a condition of employment with, used as a basis for employment decisions by, interferes with performance or creates an intimidating, hostile or offensive working environment within the **Company** or **Outside Entity**; or
 - (2) workplace harassment, including work-related harassment of a non-sexual nature that interferes with performance or creates an intimidating, hostile or offensive working environment within the **Company** or **Outside Entity**.
- (g) **“Independent Contractor”** means any natural person working in the capacity of an independent contractor pursuant to a written contract or agreement between the **Independent Contractor** and the **Company** which specifies the terms of the **Company’s** engagement of the **Independent Contractor**.
- (h) **“Insured(s)”** means the **Company** and any **Insured Person**.
- (i) **“Insured Person(s)”** means any:
- (1) **Executive**;
 - (2) **Employee**; or
 - (3) **Outside Entity Insured Person**.
- (j) **“Loss”** means:
- (1) damages (including back pay and front pay), settlements or judgments;
 - (2) pre-judgment or post-judgment interest;
 - (3) costs or fees awarded in favor of the claimant;
 - (4) punitive, exemplary and multiplied damages (including the multiple or liquidated damages awarded pursuant to the Age Discrimination in Employment Act or Equal Pay Act), but only to the extent such damages are insurable under the applicable law most favorable to the insurability of such damages; and
 - (5) **Defense Costs**.

“**Loss**” does not include:

- (i) any amounts for which the **Insureds** are not legally liable;
- (ii) any amounts which are without legal recourse to the **Insureds**;
- (iii) taxes;
- (iv) fines and penalties, except as provided for in Definition (j) (4) above;
- (v) matters which may be deemed uninsurable under applicable law;
- (vi) any costs or liability incurred by any **Insured** to modify any building or property to make it more accessible or accommodating to any disabled person, or in connection with any educational, sensitivity or other corporate program, policy or seminar;
- (vii) **Stock Benefits** due or to become due or the equivalent value of such **Stock Benefits**; or
- (viii) any future compensation, including any **Benefits**, for any person hired, promoted or reinstated pursuant to a judgment, settlement, order or other resolution of a **Claim**.

However, this policy shall provide coverage for **Defense Costs** incurred in a **Claim** involving items (i) through (viii) above, subject to all other terms, conditions and exclusions of this policy.

- (k) “**Outside Entity**” means: (1) any not-for-profit entity which is exempt from taxation under Section 501(c)(3), (4) or (10) of the IRS Code, as amended, or any rule or regulation promulgated thereunder; or (2) any other entity listed as such by endorsement to this policy, for which an **Executive** acts as a director, officer, trustee or governor (or the equivalent thereof) at the specific request of the **Company**. Any such **Executive** shall be referred to herein as an “**Outside Entity Insured Person**”, but only while that person is acting in the capacity as a director, officer, trustee or governor (or the equivalent thereof) of an **Outside Entity**.
- (l) “**Retaliation**” means retaliatory treatment of an **Employee** or an employee of an **Outside Entity** alleged to be on account of such individual:
 - (1) exercising his or her rights under law, including rights under worker’s compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to employee rights;
 - (2) refusing to violate any law or opposing any unlawful practice;
 - (3) having assisted or testified in or cooperated with any legal proceeding or formal governmental investigation regarding alleged violations of law by any **Insured**;
 - (4) disclosing or expressing an intent to disclose to a superior or to any governmental agency any alleged violations of law; or

- (5) filing or expressing an intent to file any claim against the **Company** or **Outside Entity** under the Federal False Claims Act or any other similar foreign, federal, state, or local “whistle blower” law.
- (m) “**Stock Benefits**” means any offering, plan or agreement between the **Company** and any **Insured Person** thereof, which grants stock or stock options or stock appreciation rights to such individual, including but not limited to stock options, restricted stock or any other stock grant, but not including employee stock ownership plans or employee stock purchase plans.
- (n) “**Subsidiary**” means any privately-held for-profit entity (except a partnership) of which the **Parent Company**:
- (1) has **Management Control** (“Controlled Entity”) before the inception of the **Policy Period**, either directly or indirectly through one or more other Controlled Entities;
 - (2) first acquires **Management Control** during the **Policy Period**, either directly or indirectly through one or more other Controlled Entities, if such entity’s employee count totals less than 25% of the consolidated employee count of the **Parent Company**; or
 - (3) first acquires **Management Control** during the **Policy Period**, either directly or indirectly through one or more other Controlled Entities, if such entity’s employee count totals 25% or more of the consolidated employee count of the **Parent Company**, but only if the **Parent Company** provides the **Insurer** with full particulars of the new **Subsidiary** within ninety (90) days after its creation or acquisition and pays any additional premium with respect to such entity within thirty (30) days after being requested to do so by the **Insurer**;

provided, however, that **Subsidiary** as defined in items (2) and (3) above shall not include any entity which is a financial institution, such as a bank, insurance company, insurance agent/broker, securities broker/dealer, investment advisor, mutual fund or hedge fund, unless such entity is included in the definition of **Subsidiary** by specific written endorsement attached to this policy.

“**Subsidiary**” also means any not-for-profit entity which is under the exclusive control of the **Company**.

With respect to a **Claim** made against any **Subsidiary** or any **Insured Person** thereof, this policy shall only apply to **Wrongful Acts** committed or allegedly committed after the effective time such entity becomes a **Subsidiary** and prior to the effective time that such entity ceases to be a **Subsidiary**.

- (o) “**Third-Party**” means any natural person who is a customer, vendor, service provider or other business invitee of the **Company**. **Third-Party** shall not include an **Insured Person**.
- (p) “**Third-Party Claim**” means a **Claim** for any **Third-Party Wrongful Act**.
- (q) “**Third-Party Wrongful Act**” means any actual or alleged:
- (1) discrimination against a **Third-Party** based upon such **Third-Party's** race, color, religion, creed, age, sex, disability, marital status, national origin, pregnancy, HIV status,

sexual orientation or preference, veteran status or any other status that is protected pursuant to any foreign, federal, state, or local statutory law or common law; or

- (2) sexual harassment, including unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature against a **Third-Party**.

(r) **“Workplace Tort”** means any employment-related:

- (1) misrepresentation, defamation (including libel and slander), false arrest, detention, imprisonment, invasion of privacy, negligent evaluation, wrongful discipline or wrongful deprivation of a career opportunity; or
- (2) negligent retention, supervision, hiring or training, wrongful infliction of emotional distress, mental anguish or humiliation or failure to provide or enforce consistent employment-related corporate policies and procedures,

when alleged as part of a **Claim** for actual or alleged **Wrongful Employment Decision, Discrimination, Harassment, or Retaliation**.

(s) **“Wrongful Act(s)”** means any actual or alleged **Discrimination, Harassment, Retaliation, Workplace Tort** or **Wrongful Employment Decision** committed by the **Insured** but only if such act relates to an **Employee** or an applicant for employment with the **Company** or an **Outside Entity**.

(t) **“Wrongful Employment Decision”** means any actual or alleged: (1) wrongful termination, dismissal, or discharge of employment, demotion, denial of tenure, or failure or refusal to hire or promote; or (2) breach of any implied employment contract or obligation, including but not limited to any such obligation arising out of any personnel manual, employee handbook or policy statement.

3. EXCLUSIONS

This policy shall not cover any **Loss** in connection with any **Claim**:

- (a) alleging, arising out of, based upon or attributable to any deliberate criminal or deliberate fraudulent act by an **Insured** if a final judgment or adjudication establishes that such criminal or fraudulent act occurred;

In determining the applicability of Exclusion (a), the facts pertaining to, the knowledge possessed by, or any **Wrongful Act** committed by, any **Insured** shall not be imputed to any other **Insured**; however, the facts pertaining to, the knowledge possessed by, or any **Wrongful Act** committed by, an **Insured Person** who is a past or current chairman of the board, chief executive officer, president or chief financial officer of the **Company** shall be imputed to the **Company**.

- (b) alleging, arising out of, based upon or attributable to any actual or alleged liability of the **Insured** under any express contract or agreement, except to the extent that the **Insured** would have been liable in the absence of such contract or agreement; provided, however, that this exclusion shall not apply to any **Claim** brought against an **Insured Person**;

- (c) alleging, arising out of, based upon or attributable to, as of the Pending or Prior Date set forth in Item 6 of the Declarations as respects this Coverage Section, any pending or prior: (i) litigation; or (ii) administrative or regulatory proceeding or investigation of which an **Insured** had notice, including any **Claim** alleging or derived from the same or essentially the same facts, or the same or related **Wrongful Act(s)**, as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;
- (d) alleging, arising out of, based upon or attributable to the same facts or essentially the same facts alleged, or to the same or related **Wrongful Act(s)** alleged or contained in any **Claim** which has been reported, or in any circumstances of which notice has been given, before the inception date of this policy as set forth in Item 2 of the Declarations, under any policy, whether excess or underlying, of which this policy is a renewal or replacement or which it may succeed in time;
- (e) for any **Wrongful Act** arising out of any **Insured Person** serving as a director, officer, trustee or governor of an **Outside Entity** if such **Claim** is brought by the **Outside Entity** or by any director, officer, trustee or governor thereof;
- (f) for bodily injury (except emotional distress or mental anguish when associated with a **Wrongful Act**), sickness, disease or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof;
- (g) alleging, arising out of, based upon, attributable to or in any way relating to the refusal, failure or inability of any **Insured** to pay wages or overtime pay for services rendered (exclusive of tort-based front pay or back pay), improper classification of any **Employee(s)**, improper payroll deductions taken by any **Insured** from any **Employee** or purported **Employee**, or failure to provide or enforce legally required meal or rest break periods; provided, however, that this exclusion shall not apply to any **Claim** for **Retaliation**;
- (h) alleging, arising out of, based upon or attributable to any actual or alleged violation of the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and any amendments thereto, or any similar foreign, federal, state or statutory law or common law; provided, however, that this exclusion shall not apply to any **Claim** for **Retaliation**;
- (i) alleging, arising out of, based upon or attributable to any obligation pursuant to any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law; provided, however, that this exclusion shall not apply to any **Claim** for **Retaliation**;
- (j) alleging, arising out of, based upon or attributable to any lockout, strike, picket line, hiring of replacement workers, or other similar actions in connection with labor disputes or labor negotiations; provided, however, that this exclusion shall not apply to any **Claim** for **Retaliation**;
- (k) alleging, arising out of, based upon or attributable to any **Claim** brought by a securities holder of a **Company** or an **Outside Entity** in their capacity as such;

- (1) alleging, arising out of, based upon or attributable to any actual or alleged act or omission of an **Insured Person** serving in any capacity, other than as an **Insured Person**.



ALLIED WORLD NATIONAL ASSURANCE COMPANY

RESOLUTE PORTFOLIOSM
For Private Companies
<or other Program name >
Fiduciary Liability Coverage Section

In consideration of the payment of the premium and in reliance upon the **Application**, which shall be deemed to be attached to, incorporated into, and made a part of this policy, and subject to the General Terms & Conditions Section and this Coverage Section, if purchased by the **Insured** as indicated in Item 3 of the Declarations, ALLIED WORLD NATIONAL ASSURANCE COMPANY (the “**Insurer**”) and the **Parent Company**, on behalf of all **Insureds**, agree as follows:

1. INSURING AGREEMENTS

A. Fiduciary Liability Coverage

The **Insurer** shall pay on behalf of any **Insured** the **Loss** arising from a **Claim** first made during the **Policy Period** (or Discovery Period, if applicable) against such **Insured** for any **Wrongful Act**, and reported to the **Insurer** in accordance with the terms of this policy.

The **Insurer** shall also pay on behalf of any **Insured** the **Loss** arising from a **HIPAA Claim** first made during the **Policy Period** (or Discovery Period, if applicable) against such **Insured** for any **Wrongful Act**, and reported to the **Insurer** in accordance with the terms of this policy. Coverage for **HIPAA Claims** under this Insuring Agreement A. is subject to the Sublimit of Liability set forth in Item 4 of the Declarations which is the **Insurer’s** maximum limit of liability under this Insuring Agreement A. for all Loss arising from all **HIPAA Claims**. The Sublimit of Liability for **HIPAA Claims** shall be part of, and not in addition to, the Limit of Liability applicable to this Coverage Section.

B. Voluntary Compliance Program Coverage (Optional)

The **Insurer** shall reimburse any **Insured** the **Voluntary Compliance Program Loss** incurred by the **Insured** during the **Policy Period** (or Discovery Period, if applicable), and reported to the **Insurer** in accordance with the terms of this policy. This Insuring Agreement B. shall apply only if purchased by the **Insured** as indicated in Item 3 of the Declarations and is subject to the Sublimit of Liability set forth in Item 4 of the Declarations which is the **Insurer’s** maximum limit of liability under this Insuring Agreement B. for all **Voluntary Compliance Program Losses**. The Sublimit of Liability for **Voluntary Compliance Program Loss** shall be part of, and not in addition to, the Limit of Liability applicable to this Coverage Section.

The reimbursement by the **Insurer** to the **Insured** of any **Voluntary Compliance Program Loss** under this Coverage Section shall not waive any of the **Insurer’s** rights under this policy or at law, including in the event that such **Loss** results in a **Claim** under Insuring Agreement A. of this Coverage Section.

2. DEFINITIONS

- (a) “**Administration**” means:
- (1) advising, counseling or giving notice to **Employees** with respect to any **Plan**;
 - (2) providing interpretations to **Employees**, participants or beneficiaries with respect to any **Plan**; or
 - (3) handling of records or effecting enrollment, termination or cancellation of **Employees**, participants or beneficiaries under any **Plan**.
- (b) “**Benefits**” means any obligation under a **Plan** to a participant or beneficiary under a **Plan** which is a payment of money or property, or the grant of a privilege, right, option or perquisite.
- (c) “**Claim**” means any:
- (1) written demand for monetary, non-monetary or injunctive relief made against an **Insured**;
 - (2) judicial, administrative or regulatory proceeding, whether civil or criminal, for monetary, non-monetary or injunctive relief commenced against an **Insured**, including any appeal therefrom, which is commenced by:
 - (i) service of a complaint or similar pleading;
 - (ii) return of an indictment, information or similar document (in the case of a criminal proceeding); or
 - (iii) receipt or filing of a notice of charges;
 - (3) written notice of commencement of a fact finding investigation by the U.S. Department of Labor, the U.S. Pension Benefit Guaranty Corporation, or any similar governmental authority located outside the United States, including but not limited to, the Pensions Ombudsman appointed by the United Kingdom Pensions Regulator or any successor body thereto;
 - (4) **Voluntary Settlement Program Loss**, solely under Insuring Agreement B. if purchased by the **Insured**; or
 - (5) written request to toll or waive the applicable statute of limitations relating to a potential **Claim** against an **Insured** for a **Wrongful Act**.
- (d) “**Employee(s)**” means any natural person whose labor or service is engaged or directed by the **Company** or any **Plan** including any part-time, seasonal, leased or temporary employees or volunteers. **Employee** shall not include any **Independent Contractor**.
- (e) “**ERISA**” means the Employee Retirement Income Security Act of 1974, or any amendments thereto or any rules or regulations promulgated thereunder, or any similar provisions of any federal, state, or local statutory law;
- (f) “**ESOP**” means any employee stock ownership plan as defined in **ERISA**, or any other **Plan** under which investments are made in securities of or issued by the **Company**;

- (g) **“HIPAA Claim”** means a **Claim** alleging, arising out of, based upon or attributable to the Health Insurance Portability and Accountability Act of 1996 and any amendments thereto (“HIPAA”).
- (h) **“HIPAA Penalties”** means civil money penalties imposed upon an **Insured** for violation of HIPAA’s privacy provisions.
- (i) **“Indemnifiable Loss”** means **Loss** for which the **Company** has indemnified or is permitted or required to indemnify any **Insured Person**.
- (j) **“Independent Contractor”** means any person working in the capacity of an independent contractor pursuant to a written contract or agreement between the **Independent Contractor** and the **Company** which specifies the terms of the **Company’s** engagement of the **Independent Contractor**.
- (k) **“Insured(s)”** means:
 - (1) the **Company**;
 - (2) any **Plan**;
 - (3) any **Insured Person**; and
 - (4) any other person or entity in his, her or its capacity as a fiduciary, administrator or trustee of a **Plan** and included in the Definition of **Insured** by specific written endorsement attached to this policy.
- (l) **“Insured Person(s)”** means any: (1) past, present or future natural person director, officer, trustee, general partner, management committee member, member of board of managers, governor (or any foreign equivalent); or (2) **Employee** of the **Company** or the **Plan** while acting in his or her capacity as a fiduciary of a **Plan**.
- (m) **“Loss”** means:
 - (1) damages, settlements or judgments;
 - (2) pre-judgment or post-judgment interest;
 - (3) costs or fees awarded in favor of the claimant;
 - (4) punitive, exemplary or the multiplied portion of any multiple damages awards, but only to the extent that such damages are insurable under the applicable law most favorable to the insurability of such damages;
 - (5) **Voluntary Compliance Program Loss**, solely under Insuring Agreement B. if purchased by the **Insured**; and
 - (6) **Defense Costs**.

“Loss” does not include:

 - (i) any amounts for which the **Insureds** are not legally liable;
 - (ii) any amounts which are without legal recourse to the **Insureds**;

- (iii) taxes;
- (iv) fines and penalties, except:
 - (a) as provided for in Definition (m) (4) above;
 - (b) the five percent (5%) or less civil penalty imposed upon an **Insured** under Section 502 (i) of ERISA;
 - (c) the twenty percent (20%) or less civil penalty imposed upon an **Insured** under Section 502 (l) of ERISA;
 - (d) any civil fines and penalties imposed by either the Pension Ombudsman appointed by the United Kingdom Secretary of State for Social Services, by the United Kingdom Occupational Pensions Regulatory Authority, by the United Kingdom Pensions Regulator or any successor body thereto; provided, however, that any coverage for such fines and penalties applies only if the funds or assets of the subject **Plan** are not used to fund, pay or reimburse the premium for this Coverage Section;
 - (e) fines and penalties as respects **Voluntary Compliance Program Loss**, solely under Insuring Agreement B. if purchased by the **Insured**; or
 - (f) **HIPAA Penalties**, solely under Insuring Agreement A.
- (v) the return or reversion to an employer of any contribution or asset of a **Plan**;
- (vi) **Benefits**, or that portion of any settlement or award in an amount equal to such **Benefits**, unless and to the extent that recovery of such **Benefits** is based upon a covered **Wrongful Act** and is payable as a personal obligation of an **Insured Person**;
- (vii) matters which may be deemed uninsurable under applicable law; or
- (viii) any amounts paid or incurred in complying with a judgment or settlement for non-monetary or injunctive relief, but solely as respects the **Company**.

However, this policy shall provide coverage for **Defense Costs** incurred in a **Claim** involving items (i) through (viii) above, subject to all other terms, conditions and exclusions of this policy.

- (n) “**Non-qualified Plan**” means any of the following plans for a select group of management or highly compensated directors, officers and/or employees: deferred compensation plan, supplemental executive retirement plan, top-hat plan, or excess benefit plan. **Non-qualified Plan** shall not include any **ESOP** or stock option plan.
- (o) “**Plan**” means any plan, fund, trust, program or **Non-qualified Plan** regardless of whether or not it is subject to regulation under Title I of **ERISA** or any part thereof, or meets the requirements for qualification under Section 401 of the Internal Revenue Code of 1986, as amended, and which is:

- (1) a welfare plan, as defined in **ERISA**, sponsored solely by the **Company**, or sponsored jointly by the **Company** and a labor organization, solely for the benefit of **Employees**;
- (2) a pension plan, as defined in **ERISA** (other than an **ESOP**), sponsored solely by the **Company**, or sponsored jointly by the **Company** and a labor organization, solely for the benefit of **Employees**, provided that, prior to the inception date of this policy, such plan has been reported in writing to the **Insurer** pursuant to the terms of the **Application** for this policy or pursuant to the terms of any prior policy issued by the **Insurer** or the **Application** for such policy and the **Company** shall have paid the premium required for such plan;
- (3) a pension plan, as defined in **ERISA** (other than an **ESOP**), which, during the **Policy Period** becomes sponsored solely by the **Company**, or sponsored jointly by the **Company** and a labor organization, solely for the benefit of **Employees**, subject to the following:
 - (i) if the assets of such **Plan** total 25% or less of the total consolidated assets of the **Plans** covered by this policy as of the inception date of this Coverage Section, this policy shall provide coverage with respect to **Wrongful Acts** that occurred after the date of such sponsorship. As a condition precedent to such coverage, the **Company** shall give written notice of such sponsorship to the **Insurer** prior to the end of the **Policy Period**; and
 - (ii) if the assets of such **Plan** total more than 25% of the total consolidated assets of the **Plans** covered by this policy as of the inception date of this Coverage Section, this policy shall provide coverage with respect to **Wrongful Acts** that occurred after the date of such sponsorship. As a condition precedent to such coverage, the **Company** shall give written notice of such sponsorship to the **Insurer** within ninety (90) days after the date of such sponsorship, with full particulars regarding such plan, and the **Company** shall have paid the premium required for such plan.
- (4) a plan which is both a welfare plan and a pension plan as defined in **ERISA** (other than an **ESOP**);
- (5) a government-mandated program for workers compensation, unemployment, social security or disability benefits for **Employees**; solely with respect to a **Wrongful Act** as defined in Definition (r) (2) by an **Insured Person**;
- (6) an **ESOP** that is included in the definition of **Plan** by written endorsement to this policy; or
- (7) any other plan, fund, trust or program, including a multi-employer plan(s), solely with respect to a **Wrongful Act** by an **Insured Person** if acting at the specific request of the **Company**, which is included in the definition of **Plan** by specific written endorsement attached to this policy.

With respect to paragraphs (1) and (2) of this Definition, coverage under this policy shall apply to any pension or welfare plan that was merged, sold, spun-off or terminated prior to the **Policy Period** with respect to **Wrongful Acts** that occurred prior to the date of such merger, sale or spin-off or prior to the final date of asset distribution of such plan. As a condition precedent to such coverage, the **Company** shall give written notice of such transaction to the **Insurer** prior to the inception date of this policy and the **Company** shall have paid the premium required for such plan.

With respect to paragraphs (1) and (2) of this Definition, coverage under this policy shall apply to any pension or welfare plan that was merged, sold, spun-off or terminated during the **Policy Period** with respect to **Wrongful Acts** that occurred prior to the date of such merger, sale or spin-off or prior to the final date of asset distribution of such plan. As a condition precedent to such coverage, the **Company** shall give written notice of such transaction to the **Insurer** prior to the end of the **Policy Period**.

(p) **“Subsidiary”** means any for-profit entity (except a partnership) of which the **Parent Company**:

- (1) has **Management Control** (“Controlled Entity”) before the inception of the **Policy Period**, either directly or indirectly through one or more other Controlled Entities;
- (2) first acquires **Management Control** during the **Policy Period**, either directly or indirectly through one or more other Controlled Entities, if such entity’s assets total less than 35% of the consolidated assets of the **Parent Company** as of its most recently filed Form 10-Q; or
- (3) first acquires **Management Control** during the **Policy Period**, either directly or indirectly through one or more other Controlled Entities, if such entity’s assets total 35% or more of the consolidated assets of the **Parent Company** as of its most recently filed Form 10-Q, but only if the **Parent Company** provides the **Insurer** with full particulars of the new **Subsidiary** within ninety (90) days after its creation or acquisition and pays any additional premium with respect to such entity within thirty (30) days after being requested to do so by the **Insurer**;

provided, however, that **Subsidiary** as defined in (2) and (3) above shall not mean any entity which is a financial institution, including but not limited to a bank, insurance company, insurance agent/broker, securities broker/dealer, investment advisor, mutual fund or hedge fund, unless such entity is included in the definition of **Subsidiary** by specific written endorsement attached to this policy.

“Subsidiary” also means any not-for-profit entity which is under the exclusive control of the **Company**.

With respect to a **Claim** made against any **Subsidiary** or any **Insured Person** thereof, this policy shall only apply to **Wrongful Acts** committed or allegedly committed after the effective time such entity becomes a **Subsidiary** and prior to the effective time that such entity ceases to be a **Subsidiary**.

(q) **“Voluntary Compliance Program Loss”** means:

- (1) fines, penalties, sanctions, voluntary correction fees, compliance fees or user fees imposed upon or collected from an **Insured** by the Internal Revenue Service (“IRS”) under the Employee Plans Compliance Resolution System pursuant to a written agreement with the IRS, but only in the event that the **Insured** first becomes aware during the **Policy Period** that a **Plan** must be corrected;
- (2) penalties imposed upon an **Insured** by the IRS or the U.S. Department of Labor (“DOL”) under a Delinquent Filer Voluntary Compliance Program, but only in the event that the failure to timely file Form 5500 occurs during the **Policy Period**; and

- (3) damages incurred by an **Insured** in connection with the DOL's Voluntary Fiduciary Correction Program, but only in the event that the **Insured's** compliance with such program results in the **Insured** obtaining a "No Action" letter from the DOL and that the breach of fiduciary duty occurs during the **Policy Period**; provided, however, that **Voluntary Compliance Program Loss** under this Definition (q) (3) shall not include fines, penalties or sanctions.

Voluntary Compliance Program Loss shall not include any costs to correct the **Insured's** non-compliance.

- (r) "**Wrongful Act**" means, with respect to any **Plan**, any actual or alleged:
 - (1) breach of the responsibilities, obligations or duties imposed upon fiduciaries of the **Plan** by **ERISA**;
 - (2) negligent act, error or omission in the **Administration** of any **Plan**;
 - (3) matter claimed against an **Insured Person** solely by reason of his or her service as a fiduciary of any **Plan**; or
 - (4) negligent hiring of a third-party to administer a **Plan** or **Benefits** provided thereunder.

3. EXCLUSIONS

This policy shall not cover any **Loss** in connection with any **Claim**:

- (a) arising out of, based upon or attributable to the gaining of any profit or advantage or improper or illegal remuneration if a final judgment or adjudication establishes that such **Insured** was not legally entitled to such profit or advantage or that such remuneration was improper or illegal;
- (b) arising out of, based upon or attributable to any deliberate fraud or any wilful violation of law by an **Insured** if a final judgment or adjudication establishes that such fraud or violation occurred;

In determining the applicability of Exclusions (a) and (b), the facts pertaining to, the knowledge possessed by, or any **Wrongful Act** committed by, any **Insured** shall not be imputed to any other **Insured**; however, the facts pertaining to, the knowledge possessed by, or any **Wrongful Act** committed by, an **Insured Person** who is a past or current chairman of the board, chief executive officer, president or chief financial officer of the **Company** shall be imputed to the **Company**.

- (c) for failure to fund a **Plan** in accordance with **ERISA** or the **Plan** instrument or to collect an employer's contributions owed to a **Plan**; provided, however, this exclusion shall not apply to: (i) the portion of **Loss** that is payable as a personal obligation of an **Insured Person**; or (ii) **Defense Costs**;
- (d) alleging, arising out of, based upon or attributable to the liability of others assumed by any **Insured** under any contract or agreement, either oral or written; provided, however, that this exclusion shall not apply: (i) to the extent that an **Insured** would have been liable in the absence of such contract or agreement; (ii) if the liability was assumed in accordance with or

under the agreement or declaration of trust pursuant to which the **Plan** was established; or (iii) to **Defense Costs**.

- (e) alleging, arising out of, based upon or attributable to, as of the Pending or Prior Date set forth in Item 6 of the Declarations as respects this Coverage Section, any pending or prior: (i) litigation; or (ii) administrative or regulatory proceeding or investigation of which an **Insured** had notice, including any **Claim** alleging or derived from the same or essentially the same facts, or the same or related **Wrongful Act(s)**, as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;
- (f) alleging, arising out of, based upon or attributable to the facts alleged, or to the same or related **Wrongful Act(s)** alleged or contained in any **Claim** which has been reported, or in any circumstances of which notice has been given, before the inception date of this policy as set forth in Item 2 of the Declarations, under any policy, whether excess or underlying, of which this policy is a renewal or replacement or which it may succeed in time;
- (g) alleging, arising out of, based upon, attributable to, directly or indirectly resulting from, or in consequence of, or in any way involving, **Pollution**; provided, however, that this exclusion shall not apply to any non-**Indemnifiable Loss** alleging damage to a **Plan**, except for non-**Indemnifiable Loss** constituting **Cleanup Costs**;
- (h) for any actual or alleged bodily injury, sickness, mental anguish, emotional distress, libel, slander, oral or written publication of defamatory or disparaging material, disease or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof; provided, however, that this exclusion shall not apply to **Defense Costs** incurred in defending a **Claim** alleging a violation of the responsibilities, obligations or duties of **ERISA**;
- (i) for any actual or alleged violation of any law governing workers' compensation, unemployment insurance, social security, disability benefits or similar law, anywhere in the world, except: (1) the Consolidated Omnibus Budget Reconciliation Act of 1985; (2) HIPAA; or (3) any amendments thereto or any rules or regulations promulgated thereunder;
- (j) by or on behalf of a fidelity insurer against a natural person whose conduct has resulted in a loss which has been paid under a fidelity bond;
- (k) alleging, arising out of, based upon, or attributable to any actual or alleged discrimination, harassment, retaliation, wrongful discharge, termination or any other employment-related or employment practice claim; provided, however, that this exclusion shall not apply to any **Claim** asserted under Section 510 of **ERISA**;
- (l) alleging, arising out of, based upon or attributable to any **Wrongful Act** as respects the **Plan** taking place at any time when the **Company** did not sponsor such **Plan** or when the **Insured Person** was not a fiduciary, administrator, trustee, director, officer, governor, management committee member, member of the board of managers, general partner or employee of the **Company** or, if applicable, a **Plan**;
- (m) alleging, arising out of, based upon or attributable to any act or omission of an **Insured** in his, her or its capacity as a fiduciary or administrator of any plan, fund or program, other than a **Plan** as defined in this Coverage Section, or by reason of his, her or its status as a fiduciary or administrator of such other plan, fund or program.

4. RIGHT OF RECOURSE

In the event an **Insured** breaches a fiduciary obligation under **ERISA**, the **Insurer** has the right of recourse against such **Insured** for any amount paid by the **Insurer** as a result of such breach of fiduciary duty, subject to all other terms and conditions of this policy; however, the **Insurer** shall have no right of recourse if the policy has been purchased by a fiduciary or by an employer or an employee organization.

5. ORDER OF PAYMENTS

In the event of **Loss** arising from a covered **Claim** for which payment is due under the provisions of this Coverage Section, the **Insurer** shall in all events:

- (1) first, pay **Loss** for which coverage is provided under this Coverage Section for any **Insured Person**;
- (2) second, only after payment of **Loss** has been made pursuant to item (1) above, with respect to whatever remaining amount of any Limit of Liability applicable to this Coverage Section is available, pay the **Loss** for which coverage is provided under this Coverage Section for any covered **Plan**; and
- (3) third, only after payment of **Loss** has been made pursuant to items (1) and (2) above, with respect to whatever remaining amount of any Limit of Liability applicable to this Coverage Section is available, pay the **Loss** for which coverage is provided under this Coverage Section for the **Company**.

6. NON-RESCINDABLE CLAUSE

Solely with respect to the coverage provided by this Coverage Section for any non-**Indemnifiable Loss**, the **Insurer** irrevocably waives any right it may have to rescind such coverage, in whole or in part, on any grounds.



ALLIED WORLD NATIONAL ASSURANCE COMPANY
225 Franklin Street, Boston, MA 02110 • Tel. (857) 288-6000 • Fax (617) 556-8060

Underwriting Agent: C.V. Starr & Company
90 Park Avenue, New York, NY 10016 * Tel. (646) 227-6300 * Fax (646) 227-6718

RESOLUTE PORTFOLIO SM

For Private Companies

<or other Program name>

(Inclusive of Directors & Officers Liability, Employment Practices Liability and Fiduciary Liability)

INSURANCE APPLICATION

NOTICE: THE INSURANCE POLICY FOR WHICH THIS APPLICATION IS SUBMITTED, PROVIDES CLAIMS-MADE COVERAGE, WHICH GENERALLY APPLIES ONLY TO CLAIMS FIRST MADE AND REPORTED, AGAINST THE INSURED DURING THE POLICY PERIOD OR ANY DISCOVERY PERIOD, IF APPLICABLE, AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS THEREIN.

THE LIMIT OF LIABILITY TO PAY JUDGMENTS OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF DEFENSE COSTS. DEFENSE COSTS WILL BE APPLIED AGAINST THE RETENTION AMOUNT.

PLEASE READ THE ENTIRE APPLICATION CAREFULLY, BEFORE SIGNING.

Please answer all questions and submit the requested information:

1. GENERAL INFORMATION
a) Name of Parent Company:
b) Address:
c) Nature of Business:
d) Date of Incorporation:
e) State of Incorporation:
f) Company Website:
g) NAICS Code:
h) Form of Organization: Corporation: Partnership: Limited Liability Company: Other:

i) Please list all Subsidiaries for which coverage is desired:

Name	Nature of Business	Date Acquired or Created	Percentage Owned or Management Control	Incorporated State or Country

2. COVERAGE REQUESTED

a) Proposed Effective Date: _____

b) Coverage Sections and Limits of Liability requested:

Coverage Desired (indicate with an X)	Coverage Section	Separate Limit of Liability (indicate Yes or No)	Combined Limit of Liability (indicate Yes or No)	Limit of Liability Requested (\$)
	Directors & Officers Liability			
	Employment Practices Liability (EPL)			
	Fiduciary Liability			

c) Optional Coverages and Sub-limits of Liability requested:

Coverage Desired (indicate with an X)	Coverage	Sub-limit of Liability Requested (\$)
	Derivative Demand Coverage (part of the D&O Limit of Liability)	
	Third-Party Coverage (part of the EPL Limit of Liability)	
	Voluntary Compliance Program Coverage (part of the Fiduciary Limit of Liability)	

3. COMPANY INFORMATION

a) Please provide the following information for the Company (including all Subsidiaries)

	Current Fiscal Year / /	Prior Fiscal Year / /
Total Revenue		
Total Assets		
Net Income (Loss)		
Total Equity		

b) Is the Company and its Subsidiaries in compliance with any and all lender covenants? Yes ___ No ___
If No, please provide complete details: _____

PLEASE PROVIDE THE FOLLOWING INFORMATION FOR ALL COVERAGE SECTIONS, PLUS THE ADDITIONAL INFORMATION REQUESTED WITHIN THE COVERAGE SECTIONS IN WHICH COVERAGE IS REQUESTED:

- Most recent audited Financial Statement or Annual Report
- Latest CPA letter to management and any written response thereto
- Complete List of Directors and Officers; position and affiliation with outside organizations
- Other information deemed necessary by the Underwriter or that may be helpful in evaluating your risk

4. DIRECTORS & OFFICERS LIABILITY COVERAGE SECTION

(Complete Question 4 only if such Coverage Section is requested)

a) OWNERSHIP STRUCTURE:

- i) Total number of common shares outstanding: _____
- ii) Total number of common shareholders: _____
- iii) % of shares held directly or beneficially by Directors: _____
- iv) % of shares held directly or beneficially by Officers who are not Directors: _____
- v) List any non-director/officer shareholders who own greater than 10% of the outstanding shares of the Company.

- vi) Are there any securities that are convertible to common stock? Yes ___ No ___
If yes, provide details of such stock.

- vii) Does the Company have more than one class of stock? Yes ___ No ___
If Yes, provide details of such stock.

- viii) Are there any minority shareholders in any Management Controlled Subsidiary(ies)?
Yes ___ No ___ If Yes, provide details.

b) BUSINESS ACTIVITIES

- i) Have there been any changes to the board of directors, executive officers or senior management of the Company during the past three years or do they expect any within the next year?
Yes ___ No ___ If yes, please provide complete details.

- ii) Does the Company have an annual CPA audit? Yes ___ No ___
If Yes, have there been any changes in the auditor in the last three years? Yes ___ No ___
Has the auditor identified any material weaknesses in internal controls in the past three years?
Yes ___ No ___ If yes, please provide copy of the auditor's letter to management and the management's response.

iii) Has the Company in the last three years completed or agreed to, or does it contemplate in the next twelve (12) months any of the following:

A. Acquisition, merger or sale of assets or operations? Yes ___ No ___

B. Private Placement of any securities? Yes ___ No ___

C. Public Offering of any securities? Yes ___ No ___

If yes to A, B, or C above, please provide complete details.

5. EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION

(Complete Question 5 only if such Coverage Section is requested)

a) Please provide the following information for the Company (including Subsidiaries)

i) Total Number of Employees: _____

ii)

Type of employee	Total number current year	Total number previous year
Full Time		
Part Time		
Non-US based		
Independent Contractors		
Leased Employees		

iii) Does the Company have locations in states other than the state of the corporate headquarters? Yes ___ No ___ If yes, provide details of the locations:

iv) Total number of employees in the following jurisdiction(s): If none, check here

Jurisdiction	Number of employees	Jurisdiction	Number of employees
California		Alabama	
Michigan		Arizona	
Florida		Washington DC	
New Jersey		Illinois	
Texas		Massachusetts	
New York		Minnesota	
		Oregon	

v) Please provide the following information:

	Current Year	Prior Year
Employee Turnover Rate of Reduction in Workforce		
Percent of employees earning more than \$50,000 annually		
Percent of employees earning more than \$100,000 annually		

vi) Human Resource Practices and Policies:

	Yes	No
A. Full Time HR Professional		
B. Employee Handbook or written guidelines		
C. Are the handbook and guidelines uniform for all locations and all Subsidiaries?		
D. At Will Statement		
E. Employee training (i.e.: harassment, discrimination)		
F. Annual written performance reviews for all employees		
G. All terminations are reviewed by: (advise for each) - Human Resources - In-House Counsel - Outside Counsel		

PLEASE PROVIDE THE FOLLOWING INFORMATION:

- Copy of all Human Resource Policies and Procedures including the Employee Handbook

Optional Coverage: Third-Party Liability Coverage

(Complete the below questions only if Third-Party Liability Coverage is requested)

- a) Does the Company have written procedures:
- i) describing conduct when working with third-parties, such as customers and vendors, including anti-discrimination and/or anti-harassment statements? Yes ___ No ___
 - ii) for responding to complaints of discrimination or harassment by third-parties? Yes ___ No ___
- b) What percentage of the Company's employees deal with the general public, work at customer locations or perform a majority of their functions off-site?

- c) Has the Company had any loss history as a result of receiving complaints from a non-employee?
Yes ___ No ___ If yes, please provide complete listing, including number of complaints, defense and/or settlement costs.

6. FIDUCIARY LIABILITY COVERAGE SECTION

(Complete Question 6 only if such Coverage Section is requested)

a) For Each Plan to be covered, please list the following:

Plan Name and Plan Number	Type of Plan *	Number of Participants	Plan Assets	Plan Status**

* Welfare (W), Defined Benefit (DB), Defined Contribution (DC), ESOP (ESOP), Other (O)

** Active (A), Merged (M), Sold (S), Terminated (T), Frozen (F)

b) Are any Plans under funded or over funded by 10-25% or greater than 25%? Yes ___ No ___

If yes, please provide details. _____

c) Are any of the Plans assets invested in Company securities? Yes ___ No ___ If yes, please provide details. _____

If yes, are the investments Company directed or at the discretion of the employee? _____

d) Have any Plan benefits been modified within the last two years? Yes ___ No ___ If yes, please provide details. _____

e) Are Plans managed by an independent third-party administrator/investment manager? Yes ___ No ___ If yes, please provide details. _____

i) How often is the third-party's performance reviewed? _____

ii) How often are the third-party guidelines reviewed and established? _____

f) Does the Company have any non-qualified plans? Yes ___ No ___ If yes, please provide details. _____

g) Please answer the following questions should coverage for an ESOP plan be requested.

i) What percent of the company stock does the ESOP own?

ii) Who votes the shares of the ESOP?

iii) How often are the shares of the Company valued for purposes of the ESOP?

PLEASE PROVIDE THE FOLLOWING INFORMATION:

- Audited Plan financials for the top three (3) Plans and 5500 statements when participants exceed 100
- Audited Plan financials for all Plans with assets in excess of \$10,000,000
- Latest Audited Plan financials and 5500 reports for the 5 largest plans (in terms of total plan assets) and for any Plan which invests in Company securities
- Latest audited plan financial or schedule of investments for any non-qualified plan

ALL Applicants must complete the below questions 7 and 8.

7. PREVIOUS INSURANCE:

a) Please provide the following details regarding the Company's Insurance programs:

Coverage	Yes	None	Limit of Liability	Retention	Premium	Policy Period
D&O						
EPL						
Fiduciary						

b) Have any of the Company's prior carriers cancelled or indicated an intent to not offer renewal terms? Yes ___ No ___ If yes, provide details. _____

c) Has any person or entity for whom this insurance is being applied given written notice under the provisions of any prior or current insurance policy of facts or circumstances that might give rise to a Claim being made against any person or entity for whom this insurance is being applied? Yes ___ No ___ If yes, please provide details. _____

- d) Have any payments been made on behalf of any person or entity for whom this insurance is being applied under any policy of insurance similar to any proposed insurance hereunder? Yes ___ No ___
If Yes, please provide details. _____

8. PRIOR KNOWLEDGE (RENEWAL APPLICANTS: Question 8. need not be answered).

- a) No person or entities for whom this insurance is being applied have any knowledge of any fact, circumstance, situation, or information of any error, misstatement, misleading statement, act, omission, neglect, breach of duty or other matter that may give rise to a Claim which may fall within the scope of coverage of the proposed insurance? Yes ___ No ___
If yes, please provide complete details (use supplemental attachment if additional space is necessary).

- b) No Claims have been made against any person(s) or entities for whom this insurance is being applied. Yes ___ No ___ If yes, please provide details. _____

- c) No person(s) or entity(ies) proposed for whom this insurance is being applied has knowledge of any inquiry, investigation or communication that he/she/it has reason to believe might give rise to a Claim that might fall within the scope of the coverage of the proposed insurance. Yes ___ No ___
If yes, please provide details.

IT IS AGREED THAT IF SUCH KNOWLEDGE OR INFORMATION EXISTS WITH REGARD TO QUESTIONS 8 a), b) or c), REGARDLESS OF WHETHER IT IS DISCLOSED IN THIS APPLICATION, ANY CLAIM BASED ON, ARISING FROM, OR IN ANY WAY RELATING TO SUCH ERROR, MISSTATEMENT, MISLEADING STATEMENT, ACT, OMISSION, NEGLIGENCE, BREACH OF DUTY OR OTHER MATTER OF WHICH THERE IS KNOWLEDGE OR INFORMATION SHALL BE EXCLUDED FROM COVERAGE UNDER THE INSURANCE BEING APPLIED FOR AND THE INSURER SHALL NOT BE LIABLE FOR SUCH LOSS AND, TO THE EXTENT THIS POLICY PROVIDES DUTY TO DEFEND COVERAGE, THE INSURER SHALL HAVE NO DUTY TO DEFEND.

NOTICES TO COMPANY:

The undersigned authorized representative of the Company declares that the statements set forth herein are true, and reasonable effort has been made to obtain sufficient information from all persons proposed for this insurance to facilitate the accurate completion of the Application. The undersigned authorized representative agrees that if the information supplied on this Application changes between the date of this Application and the effective date of the insurance, he/she will, in order for the information to be accurate on the effective

date of the insurance, immediately notify the Insurer of such changes, and the Insurer may withdraw or modify any outstanding quotations or agreement to bind insurance.

The submission of this Application by the Company to the Insurer or signing of this Application by the Company does not obligate the Insurer to issue the insurance. It is agreed that this Application shall be the basis of the contract if a policy is issued and shall be deemed to be attached to, incorporated into and become a part of, the policy.

ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF. NOTHING CONTAINED HEREIN OR INCORPORATED HEREIN BY REFERENCE SHALL CONSTITUTE NOTICE OF A CLAIM OR POTENTIAL CLAIM SO AS TO TRIGGER COVERAGE UNDER ANY CONTRACT OF INSURANCE.

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

NOTICE TO COLORADO APPLICANTS: "IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES."

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: "WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT."

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

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

NOTICE TO 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."

NOTICE TO 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."

NOTICE TO MAINE 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."

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

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

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

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

NOTICE TO 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" (365:15-1-10, 36 §3613.1).

NOTICE TO 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."

NOTICE TO TENNESSEE 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."

NOTICE TO TEXAS APPLICANTS: "ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN STATE PRISON."

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

NOTICE TO WASHINGTON 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."

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

NOTICE TO ALL OTHER 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."

DECLARATION AND SIGNATURE

THE UNDERSIGNED AUTHORIZED REPRESENTATIVE IS MAKING THE REPRESENTATIONS IN THIS APPLICATION ON BEHALF OF THE COMPANY AND ALL ENTITIES OR PERSONS PROPOSED FOR COVERAGE UNDER THE POLICY.

Signed: _____

Title: _____
(President, CEO or CFO)

Date: _____

RESOLUTE PORTFOLIOSM is a registered service mark owned by C. V. Starr & Co., Inc., licensed for use to Allied World National Assurance Company all rights reserved.

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**RELIANCE ENDORSEMENT
(specified applications)**

In granting coverage under this policy, it is understood and agreed that the **Insurer** has relied upon the statements, representations and warranties contained in the below-referenced application(s) (including materials submitted thereto and, if such applications are renewal applications, all such previous policy applications, and their attachments and materials, for which this policy is a renewal or succeeds in time) as being accurate and complete. It is further understood and agreed that the **Insureds** warrant and represent to the **Insurer** that the statements, representations and warranties made in such application(s) were accurate on the date such statements and representations were so given. In connection therewith, and solely with respect to the below referenced application(s), the **Insureds** hereby reaffirm each and every statement and representation made in such application to the below-referenced carrier as accurate as of insert date as if it was made to the **Insurer** on such date. All such statements and representations in the below referenced application(s) are the basis of this policy and are to be considered as incorporated into this policy.

TYPE OF POLICY APPLICATION

CARRIER

DATE SIGNED

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**RELIANCE ENDORSEMENT
(other applications)**

In granting coverage under this policy, it is understood and agreed that the **Insurer** has relied upon the statements, representations and warranties contained in all applications, warranty statements, together with attachments and any other materials submitted for this policy (including all such previous policy applications, and their attachments and materials, for which this policy is a renewal or succeeds in time), as being accurate and complete. It is further understood and agreed that the **Insureds** warrant and represent to the **Insurer** that the statements, representations and warranties made in such application(s) were accurate on the date such statements and representations were so given. In connection therewith, the **Insureds** hereby reaffirm each and every statement and representation made in such application(s) as accurate as of *(insert date)* as if it was made to the **Insurer** on such date. All such statements and representations in such application(s) are the basis of this policy and are to be considered as incorporated into this policy.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**ACTUARIAL E&O EXCLUSION
(Fiduciary Coverage Section)**

It is understood and agreed that Clause 3, EXCLUSIONS, of the Fiduciary Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any **Loss** in connection with any **Claim** alleging, arising out of, based upon or attributable to any actuarial act, error, omission or assumption.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**EMPLOYED LAWYERS COVERAGE EXTENSION –
CO-DEFENDANT BASIS ONLY
(D&O Coverage Section)**

It is understood and agreed that the Directors & Officers Liability Coverage Section is amended by adding the following:

1. This policy shall include coverage for **Employed Lawyers** but solely with respect to **Wrongful Acts** (as defined below) by an **Employed Lawyer** acting in the capacity as such and subject to the terms and conditions of this endorsement.
2. The coverage provided by this endorsement shall apply only if one or more **Insureds** (other than an **Employed Lawyer** or the **Company**) are and remain co-defendants in the litigation or proceeding along with the **Employed Lawyer**.
3. The coverage provided by this endorsement is specifically excess of any other valid and collectible lawyers professional liability insurance, legal malpractice or errors and omissions insurance and shall drop down and provide primary insurance only in the event of the exhaustion of such other insurance due to the payment of losses thereunder.
4. In determining whether the Retention amount for the Directors & Officers Liability Coverage Section as stated in Item 5 of the Declarations applies to a **Claim** under this endorsement, it is presumed that the **Company** shall indemnify the **Employed Lawyer** to the fullest extent permitted by statutory or common law or the charter, by-laws, operating agreement or similar document of the **Company**.
5. The Definition of “**Insured Person(s)**” is amended to include any **Employed Lawyer**.
6. Solely with respect to the coverage provided by this endorsement, this policy shall not cover any **Loss** in connection with any **Claim** made against an **Employed Lawyer**:
 - (a) alleging, arising out of, based upon or attributable to any **Wrongful Act** which occurred at a time when the **Employed Lawyer** was not employed as a lawyer by the **Company**.
 - (b) alleging, arising out of, based upon or attributable to any **Wrongful Act** if, as of the **Pending or Prior Date** set forth below, an **Employed Lawyer** knew or could have reasonably foreseen that such **Wrongful Act** could lead to a **Claim**; or
 - (c) alleging, arising out of, based upon or attributable to any activities or conduct of the **Employed Lawyer** as an officer, director or governor of any entity other than the **Company**.

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**EMPLOYED LAWYERS COVERAGE EXTENSION
(D&O Coverage Section)**

It is understood and agreed that the Directors & Officers Liability Coverage Section is amended by adding the following:

1. This policy shall include coverage for **Employed Lawyers** but solely with respect to **Wrongful Acts** (as defined below) by an **Employed Lawyer** acting in the capacity as such and subject to the terms and conditions of this endorsement.
2. The coverage provided by this endorsement is specifically excess of any other valid and collectible lawyers professional liability insurance, legal malpractice or errors and omissions insurance and shall drop down and provide primary insurance only in the event of the exhaustion of such other insurance due to the payment of losses thereunder.
3. In determining whether the Retention amount for the Directors & Officers Liability Coverage Section as stated in Item 5 of the Declarations applies to a **Claim** under this endorsement, it is presumed that the **Company** shall indemnify the **Employed Lawyer** to the fullest extent permitted by statutory or common law or the charter, by-laws, operating agreement or similar document of the **Company**.
4. The Definition of “**Insured Person(s)**” is amended to include any **Employed Lawyer**.
5. Solely with respect to the coverage provided by this endorsement, this policy shall not cover any **Loss** in connection with any **Claim** made against an **Employed Lawyer**:
 - (a) alleging, arising out of, based upon or attributable to any **Wrongful Act** which occurred at a time when the **Employed Lawyer** was not employed as a lawyer by the **Company**;
 - (b) alleging, arising out of, based upon or attributable to any **Wrongful Act** if, as of the **Pending or Prior Date** set forth below, an **Employed Lawyer** knew or could have reasonably foreseen that such **Wrongful Act** could lead to a **Claim**; or
 - (c) alleging, arising out of, based upon or attributable to any activities or conduct of the **Employed Lawyer** as an officer, director or governor of any entity other than the **Company**.
6. Solely with respect to this endorsement, the following defined terms apply:

“Employed Lawyer” means any employee of the **Company** who is admitted to practice law and who is employed, or was employed, at the time of the alleged **Wrongful Act** as a full-time lawyer for, and salaried by, the **Company**.

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**OFAC EXCLUSION
(all Coverage Sections)**

It is understood and agreed that Clause 3, EXCLUSIONS, of all applicable Coverage Sections is amended by adding the following exclusion:

This policy shall not cover any **Loss** in connection with any **Claim** in the event that such coverage would not be in compliance with any United States of America economic or trade sanctions, laws or regulations, including but not limited to the U.S. Treasury Department's Office of Foreign Assets Control, or any similar foreign, federal, state or statutory law or common law.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

DELETE EXCLUSION

It is understood and agreed that Clause 3, EXCLUSIONS, of the _____
Liability Coverage Section is amended by deleting Exclusion () in its entirety.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**FRANCHISEE E&O EXCLUSION –
WITH EXCEPTION FOR SECURITIES CLAIMS
(D&O Coverage Section)**

It is understood and agreed that Clause 3, EXCLUSIONS, of the Directors & Officers Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any **Loss** in connection with any **Claim** alleging, arising out of, based upon or attributable to: (1) the selling of franchises by the **Company** or any **Insured Person**; or (2) any franchising operations performed by the franchisee; provided, however, that this exclusion shall not apply to a **Securities Claim**, but only if the **Securities Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of, any **Insured**.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**AMEND CONTRACT EXCLUSION
(D&O Coverage Section)**

It is understood and agreed that Exclusion (e) of Clause 3, EXCLUSIONS, of the Directors & Officers Liability Coverage Section is deleted and replaced by the following exclusion:

- (e) based upon, arising from, or in consequence of any actual or alleged liability of any **Insured** under any express contract or agreement, except to the extent that such **Insured** would have been liable in the absence of such contract or agreement;

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

SPECIFIC LITIGATION / EVENT EXCLUSION

It is understood and agreed that Clause 3, EXCLUSIONS, of the _____
Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any **Loss** in connection with any **Claim** alleging, arising out of, based upon or attributable to:

- (i) any of the claims, notices, events, investigations or actions described below (hereinafter "**Event**");
- (ii) the prosecution, adjudication, settlement, disposition, resolution or defense of either an **Event** or any claims arising from or based upon an **Event**; or
- (iii) any wrongful act, underlying facts, circumstances, acts or omissions in any way relating to any **Event**.

For the purposes of this endorsement only, the term "**Event**" shall include the following:

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:
This endorsement, effective:
(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)
Forms a part of Policy No.:
Issued to:
By:

SPECIFIC LITIGATION / EVENT EXCLUSION - INCLUDES SEC FILINGS

It is understood and agreed that Clause 3, EXCLUSIONS, of the _____ Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any **Loss** in connection with any **Claim** alleging, arising out of, based upon or attributable to:

- (i) any of the claims, notices, events, investigations or actions described below (hereinafter "**Event**");
- (ii) the prosecution, adjudication, settlement, disposition, resolution or defense of either an **Event** or any claims arising from or based upon an **Event**; or
- (iii) any wrongful act, underlying facts, circumstances, acts or omissions in any way relating to any **Event**.

It is further understood and agreed that Clause 3, EXCLUSIONS, of the _____ Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any **Loss** in connection with:

- A. any restatement, retraction, amendment or revision, in part or in whole, of any:
 - (i) document or statement filed or submitted or required to be filed or submitted with the SEC or any other similar federal, state or local agency (including but not limited to any 10K's, 10Q's or annual reports); or
 - (ii) written or oral statement made regarding the assets, revenues, sales or financial condition of any **Insured** entity,

resulting from, arising out of, based upon or attributable to any **Event** or the resolution of said **Event**; or
- B. any **Claim** alleging, arising out of, based upon, attributable to or in any way related directly or indirectly, in part or in whole, to a **Related Wrongful Act** (as defined below), regardless of whether or not such **Claim** involved the same or different **Insureds**, the same or different legal causes of action or the same or different claimants or is brought in the same or different venue or resolved in the same or different forum.

For the purpose of this endorsement only, the following defined terms shall apply:

“Related Wrongful Act” means: (i) any fact, circumstance, act or omission alleged in any **Event**; or (ii) any **Wrongful Act** which is the same as, similar to or a repetition of any **Wrongful Act** alleged in any **Event**.

“Event” shall include the following:

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**ANTI - TRUST EXCLUSION
(D&O Coverage Section)**

It is understood and agreed that Clause 3, EXCLUSIONS, of the Directors & Officers Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any **Loss** in connection with any **Claim** alleging, arising out of, based upon or attributable to any violation of any law, whether statutory, regulatory or common, as respects any of the following: anti-trust, business competition, unfair trade practices or tortious interference in another's business or contractual relationships.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

**_____
AUTHORIZED REPRESENTATIVE**

Endorsement No.:
This endorsement, effective:
(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)
Forms a part of Policy No.:
Issued to:
By:

**ANTI - TRUST CLAIM COVERAGE EXTENSION – WITH SUBLIMIT
(D&O Coverage Section)**

It is understood and agreed that the Directors & Officers Liability Coverage Section is amended as follows:

1. This policy shall include coverage for **Loss** in connection with an **Anti -Trust Claim**.
2. Solely with respect to this endorsement, the following defined term applies:

“**Anti-Trust Claim**” means any **Claim** alleging, arising out of, based upon or attributable to any violation of any law, whether statutory, regulatory or common, as respects any of the following: anti-trust, business competition, unfair trade practices or tortious interference in another’s business or contractual relationships.

3. Item 4 of the Declarations, LIMIT OF LIABILITY, is amended by adding the following:

Sublimit of Liability for Anti -Trust Claim Coverage \$

The above Sublimit of Liability is part of, and not in addition to, the Limit of Liability applicable to the Directors & Officers Liability Coverage Section as set forth in Item 4 of the Declarations.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

PRIOR ACTS EXCLUSION

It is understood and agreed that Clause 3, EXCLUSIONS, of the _____ Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any **Loss** in connection with any **Claim** alleging, arising out of, based upon or attributable to the facts alleged, or to the same or related **Wrongful Act(s)** committed, attempted, or allegedly committed or attempted in whole, or in part, prior to *(insert date)*.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**SPECIFIC ENTITY EXCLUSION -
CLAIMS BROUGHT AGAINST SUCH ENTITY
(D&O Coverage Section)**

It is understood and agreed that Clause 3, EXCLUSIONS, of the Directors & Officers Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any **Loss** in connection with any **Claim** brought against any below listed **Entity** and/or any **Insured Person** thereof.

Entity (*insert name of entity*)

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**SPECIFIC ENTITY EXCLUSION -
CLAIMS BROUGHT BY SUCH ENTITY
(D&O Coverage Section)**

It is understood and agreed that Clause 3, EXCLUSIONS, of the Directors & Officers Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any **Loss** in connection with any **Claim**:

- (i) brought by or on behalf of any below listed **Entity** and/or any **Insured Person** thereof; or
- (ii) brought by any security holder of the **Company**, whether directly or derivatively, unless such **Claim** is instigated and continued totally independent of, or without the intervention of such **Entity** and/or any **Insured Person** thereof.

Entity (*insert name of entity*)

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**FULL NUCLEAR EXCLUSION
(D&O Coverage Section)**

It is understood and agreed that Clause 3, EXCLUSIONS, of the Directors & Officers Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any **Loss** in connection with any **Claim** alleging, arising out of, based upon or attributable to nuclear fission, nuclear fusion, radioactive contamination or the hazardous properties of any nuclear materials.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**DIRECTOR EXCLUSION
(EPL Coverage Section)**

It is understood and agreed that Clause 3, EXCLUSIONS, of the Employment Practices Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any **Loss** in connection with any **Claim** brought by or on behalf of any **Insured Person** who is or was a director of any **Company**.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**DELETE ENTITY COVERAGE
(EPL Coverage Section)**

It is understood and agreed that Clause 1, INSURING AGREEMENTS of the Employment Practices Liability Coverage Section, is amended by adding the following to Insuring Agreement A. and B.:

Notwithstanding any provision in this policy to the contrary, this policy shall not provide any coverage for a **Claim** against the **Company**.

It is further understood and agreed that Definition (h), **“Insured(s)”**, of the Employment Practices Liability Coverage Section is deleted in its entirety and replaced with the following:

(h) **“Insured(s)”** means any **Insured Person**.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**AMEND DEFINITION OF "LOSS" –
ADD PUNITIVE DAMAGES SUBLIMIT
(D&O Coverage Section)**

It is understood and agreed that Definition (h), "Loss" of the Directors & Officers Liability Coverage Section is amended by adding the following:

The maximum aggregate limit of the **Insurer's** liability for all **Loss** as defined in item (4) of Definition (h) (including **Defense Costs** arising from an award of punitive, exemplary and multiple damages combined), shall be no greater than \$_____ (hereafter referred to as the Sublimit of Liability). This Sublimit of Liability is part of, and not in addition to, the Limit of Liability applicable to the Directors & Officers Liability Coverage Section as stated in Item 4 of the Declarations and shall not serve to increase the **Insurer's** Limit of Liability as stated therein.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**AMEND NOTICE CLAUSE:
POST POLICY REPORTING**

It is understood and agreed that Clause 5, NOTICE OF CLAIM, of the General Terms & Conditions Section is amended by deleting the first paragraph thereof and replacing it with the following:

The **Insured(s)** shall, as a condition precedent to the obligations of the **Insurer** under this policy, give written notice to the **Insurer's** authorized agent identified in Item 9 of the Declarations of a **Claim** made against an **Insured** as soon as practicable after any **Insured Person** becomes aware of the **Claim**; however, in no event shall such notice be provided later than _____ days after the expiration of the **Policy Period** (or Discovery Period, if applicable). If mailed, the date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

PENDING OR PRIOR LITIGATION EXCLUSION – INCREASED LIMITS

It is understood and agreed that Clause 3, EXCLUSIONS, of the _____ Liability Coverage Section is amended by adding the following exclusion:

This policy shall not cover any **Loss** in connection with any **Claim** alleging, arising out of, based upon or attributable to, as of the *(insert date)* as respects this Coverage Section, any pending or prior: (1) litigation; or (2) administrative or regulatory proceeding or investigation of which an **Insured** had notice, including any **Claim** alleging or derived from the same or essentially the same facts, or the same or related **Wrongful Act(s)**, as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;

It is further understood and agreed that this endorsement applies only to the Limit of Liability of \$_____ in excess of the \$_____ Limit of Liability applicable to the _____ Liability Coverage Section as set forth in Item 4 of the Declarations.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:
This endorsement, effective:
(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)
Forms a part of Policy No.:
Issued to:
By:

**AMEND DEFENSE OF CLAIM AND SETTLEMENT CLAUSE -
DELETE INSURER'S DUTY TO DEFEND; WITH OPTION TO TENDER DEFENSE**

It is understood and agreed that the General Terms & Conditions Liability Coverage Section is amended by deleting Clause 6, DEFENSE OF CLAIM AND SETTLEMENT, in its entirety and replacing with the following:

6. DEFENSE OF CLAIM AND SETTLEMENT

The **Insurer** does not assume any duty to defend any **Claim** under this policy. However, the **Insurer** shall have the right to fully and effectively associate with the **Insured** in the control, investigation, defense and settlement of any **Claim**.

The **Insured(s)** shall defend and contest any **Claim** made against them. The **Insured** shall obtain the **Insurer's** written consent in the selection of defense counsel to represent the **Insured** as respects any **Claim**, such consent shall not be unreasonably withheld.

The **Insured(s)** shall not admit or assume any liability, incur any **Defense Costs**, enter into any settlement agreement or stipulate to any judgment without the prior written consent of the **Insurer**. Any **Loss** incurred by the **Insured(s)** and/or any settlements or judgments agreed to by the **Insured(s)** without such consent shall not be covered by this policy. However, the **Insurer's** consent is not required for the **Insured** to settle a **Claim** for a **Loss** amount within the applicable Retention.

Each and every **Insured** shall give the **Insurer** full cooperation and such information as it may reasonably require relating to the defense and settlement of any **Claim** and the prosecution of any counterclaim, cross-claim or third-party claim, including without limitation the assertion of an **Insured's** indemnification or contribution rights.

The **Insurer** shall reimburse **Defense Costs** prior to the final disposition of any **Claim**, subject to all other terms and conditions of this policy. In the event and to the extent that the **Insureds** shall not be entitled to payment of such **Loss** under the terms and conditions of this policy, such payments by the **Insurer** shall be repaid to the **Insurer** by the **Insureds**, severally according to their respective interests.

Right to Tender Defense

Notwithstanding the foregoing, the **Insureds** shall have the right to tender the defense of a **Claim** to the **Insurer**; however, the **Insureds** shall not have the right to tender the defense of any **Claim** under: (1) Insuring Agreement D.: Derivative Demand Coverage of the Directors & Officers Liability Coverage Section; or (2) Insuring Agreement B: Voluntary Compliance Program Coverage of the Fiduciary Liability Coverage Section.

This right shall be exercised by the **Parent Company** on behalf of all **Insureds** by providing written notice to the **Insurer's** authorized agent identified in Item 9 of the Declarations. The **Insured's** right to tender the defense of a **Claim** shall terminate if it is not exercised within thirty days of the date the **Claim** is first made against an **Insured**. Further, from the date the **Claim** is first made against an **Insured** to the date when the **Insurer** accepts the tender of the defense of such **Claim**, the **Insureds** shall take no action, or fail to take any required action, that prejudices the rights of any **Insured** or the **Insurer** with respect to such **Claim**. In the event the **Insureds** have complied with all of the foregoing, the **Insurer** shall be obligated to assume the defense of the **Claim**, even if such **Claim** is groundless, false or fraudulent. The **Insurer's** assumption of the defense of the **Claim** shall be effective upon the **Insurer** providing written confirmation sent thereof to the **Parent Company**. Once the defense has been so tendered, the **Insured** shall have the right to effectively associate with the **Insurer** in the defense and the negotiation of any settlement of any **Claim**, subject to the provisions of this Clause 6; provided, however, the **Insurer** shall not be obligated to defend such **Claim** after the applicable Limit of Liability has been exhausted.

When the **Insurer** has assumed the duty to defend, it shall have the right to investigate and conduct negotiations and, with the **Insured's** consent, which shall not be unreasonably withheld, enter into the settlement of any **Claim** that the **Insurer** deems appropriate. In the event the **Insured** refuses to consent to a settlement acceptable to the claimant in accordance with the **Insurer's** recommendation, the **Insurer's** liability for **Loss** on account of such **Claim** shall not exceed: (1) the amount for which the **Insurer** could have settled the **Claim**; plus (2) any **Defense Costs** incurred up to the date the **Insured** refused to settle such **Claim**; plus (3) eighty percent (80%) of covered **Loss**, other than **Defense Costs**, in excess of the amount for which the **Insurer** could have settled the **Claim**. However, in no event shall the **Insurer's** liability exceed the applicable Limit of Liability as set forth in Item 4 of the Declarations.

When the **Insurer** has assumed the duty to defend, it shall pay **Defense Costs** excess of the applicable Retention, subject to all other terms and conditions of this policy. In the event and to the extent that the **Insureds** shall not be entitled to payment of such **Loss** under the terms and conditions of this policy, such payments by the **Insurer** shall be repaid to the **Insurer** by the **Insureds**, severally according to their respective interests.

Derivative Demand Coverage

With respect to Insuring Agreement D.: Derivative Demand Coverage of the Directors & Officers Liability Coverage Section, the **Company**, and not the **Insurer**, has the duty to investigate and evaluate the **Derivative Demand**. The **Insurer** shall have the right to effectively associate with the **Company** in such process.

Voluntary Settlement Program Loss

With respect to Insuring Agreement B: Voluntary Compliance Program Coverage of the Fiduciary Liability Coverage Section, the **Company**, and not the **Insurer**, has the duty to investigate and evaluate the **Voluntary Compliance Program Loss**. The **Insurer** shall have the right to effectively associate with the **Company** in such process, including the negotiation of any settlement as respects the **Voluntary Compliance Program Loss**.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**AMEND DEFINITION OF “LOSS” –
INVESTMENT LOSS COVERAGE
(Fiduciary Coverage Section)**

It is understood and agreed that Definition (m), “Loss” of the Fiduciary Liability Coverage Section is amended by deleting item (vi) in its entirety and replacing it with the following:

- (vi) **Benefits**, or that portion of any settlement or award in an amount equal to such **Benefits**, unless and to the extent that recovery of such **Benefits** is based upon a covered **Wrongful Act** and is payable as a personal obligation of an **Insured Person**; provided, however, that **Loss** shall include a monetary award or a settlement payment as respects a **Claim** against the **Insured** alleging a loss to the **Plan** and/or to the accounts of such **Plan’s** participants by reason of a change in the value of the investments held by such **Plan**, regardless of whether the amounts sought or recovered by the plaintiffs in such a **Claim** are characterized by plaintiffs as “benefits” or held by a court as “benefits”.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

**POLICYHOLDER DISCLOSURE STATEMENT
UNDER THE TERRORISM RISK INSURANCE ACT**

The Insured is hereby notified that under the federal Terrorism Risk Insurance Act, as amended, (the "Act"), the Insured has a right to purchase insurance coverage for losses arising out of an Act of Terrorism, which is defined in the Act as an act certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, (i) to be an act of terrorism, (ii) to be a violent act or an act that is dangerous to (A) human life; (B) property; or (C) infrastructure, (iii) to have resulted in damage within the United States, or outside of the United States in case of an air carrier or vessel or the premises of a U.S. mission and (iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. The Insured should read the Act for a complete description of its coverage. The Secretary's decision to certify or not to certify an event as an Act of Terrorism covered by the Act is final and not subject to review.

Coverage provided by this policy for losses caused by an Act of Terrorism may be partially reimbursed by the United States Government under a formula established by federal law. Under this formula, the United States Government will generally pay 85% of terrorism losses exceeding a statutorily established deductible that must be met by the Insurer, and which deductible is based on a percentage of the Insurer's direct earned premiums for the year preceding the Act of Terrorism.

Be advised that there is a \$100 billion cap on all losses resulting from Acts of Terrorism. If aggregate insured losses attributable to Acts of Terrorism exceed \$100 billion in a Program Year (January 1 through December 31), the United States Government shall not make any payment for any portion of the amount of such loss that exceeds \$100 billion. If aggregate insured losses attributable to Acts of Terrorism exceed \$100 billion in a Program Year and the Insurer has met its deductible under the Act, the Insurer shall not be liable for payment of any portion of the losses that exceeds \$100 billion, and in such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Coverage for "insured losses" as defined in the Act is subject to the coverage terms, conditions, amounts and limits in this policy applicable to losses arising from events other than Acts of Terrorism.

The Insured should know that under federal law, the Insured is not required to purchase coverage for losses caused by Acts of Terrorism.

Please indicate the selection of the Insured below.

_____ The Insured hereby elects to purchase coverage in accordance with the Act for a premium of \$ _____.

_____ The Insured hereby rejects coverage and accepts reinstatement of the exclusion in accordance with the Act.

Signature of Insured

<INSURED NAME>

Print/Title

<Policy Number>

Date

Endorsement No.:
This endorsement, effective:
(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)
Forms a part of Policy No.:
Issued to:
By:

**EXCLUSION OF CERTIFIED ACTS OF TERRORISM
AND NON-CERTIFIED ACTS OF TERRORISM**

A. It is understood and agreed that this policy does not apply to loss arising out of “injury or damage” caused directly or indirectly by, contributed to by, resulting from, or arising out of or in connection with:

1. An “act of terrorism”, including action in hindering, controlling, preventing, suppressing, retaliating against, responding to or defending against an actual or expected “act of terrorism”. “Injury or damage” is excluded regardless of any other cause or event that contributed concurrently or in any sequence to the “injury or damage”.
2. A “certified act of terrorism”. “Injury or damage” is excluded regardless of any other cause or event that contributed concurrently or in any sequence to the “injury or damage”.

This exclusion also applies to an “act of terrorism” or a “certified act of terrorism”:

1. That involves the use, release, or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination;
2. That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
3. In which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

In the event an “act of terrorism” or a “certified act of terrorism” involves nuclear reaction or radiation, or radioactive contamination, this exclusion supersedes any Nuclear Hazard Exclusion.

B. The following definitions are added:

1. “Injury or damage” means any “injury or damage” covered under this policy to which this endorsement is applicable, and includes but is not limited to bodily injury, property damage, personal and advertising injury, injury or environmental damage as may be defined in this policy.
2. An “act of terrorism” means activities against persons, organizations or property of any nature:
 - a. That involve the following or preparation for the following:
 - i. Use or threat of force or violence; or
 - ii. Commission or threat of a dangerous act; or
 - iii. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

- b. When one or both of the following applies:
 - i. The effect is to intimidate or coerce a government, de jure or de facto of any nation or any political division thereof, or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - ii. It appears that the intent is to intimidate or coerce a government, de jure or de facto of any nation or any political division thereof, or to further political, ideological, religious, social, economic or similar objectives or to express (or express opposition to) a philosophy or ideology, regardless of the amount of damages or losses.
- 3. A “certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an “act of terrorism” pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a “certified act of terrorism” include the following:
 - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

- A. It is agreed that this policy does not apply to loss arising out “injury or damage” caused directly or indirectly by, contributed to by, resulting from, or arising out of or in connection with a “certified act of terrorism”. Such “injury or damage” is excluded regardless of any other cause or event that contributed concurrently or in any sequence to the “injury or damage”.

This exclusion also applies to a “certified act of terrorism”:

1. That involves the use, release, or escape of nuclear materials, or that directly or indirectly results in a nuclear reaction or radiation or radioactive contamination; or
2. That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
3. In which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

In the event a “certified act of terrorism” involves nuclear reaction or radiation, or radioactive contamination, this exclusion supersedes any Nuclear Hazard Exclusion.

- B. The following definitions are added:

1. “Injury or damage” means any “injury or damage” covered under this policy to which this endorsement is applicable, and includes but is not limited to “bodily injury”, “property damage”, “personal and advertising injury”, “injury” or “environmental damage” as may be defined in this policy.
2. A “certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an “act of terrorism” pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a “certified act of terrorism” include the following:
 - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

**EXCLUSION OF NON-CERTIFIED ACTS OF TERRORISM AND
COVERAGE OF CERTIFIED ACTS OF TERRORISM**

- A. It is agreed that this policy does not apply to loss arising out of “injury or damage” caused directly or indirectly by, contributed to by, resulting from, or arising out of or in connection with an “act of terrorism”, including action in hindering, controlling, preventing, suppressing, retaliating against, responding to or defending against an actual or expected “act of terrorism”. “Injury or damage” is excluded regardless of any other cause or event that contributed concurrently or in any sequence to the “injury or damage”. This exclusion also applies to any “act of terrorism”:
1. That involves the use, release, or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
 2. That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
 3. In which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

In the event an “act of terrorism” involves nuclear reaction or radiation, or radioactive contamination, this exclusion supersedes any Nuclear Hazard Exclusion.

This exclusion does not apply to a “certified act of terrorism”. This exception to the exclusion is limited to an “insured loss” as defined in the federal Terrorism Risk Insurance Act.

B. The following definitions are added:

1. “Injury or damage” means any “injury or damage” covered under this policy to which this endorsement is applicable, and includes but is not limited to “bodily injury”, “property damage”, “personal and advertising injury”, “injury” or “environmental damage” as may be defined in this policy.
2. An “act of terrorism” means activities against persons, organizations or property of any nature:
 - a. That involve the following or preparation for the following:
 - i. Use or threat of force or violence; or
 - ii. Commission or threat of a dangerous act; or
 - iii. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

- b. When one or both of the following applies:
 - i. The effect is to intimidate or coerce a government, de jure or de facto of any nation or any political division thereof, or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - ii. It appears that the intent is to intimidate or coerce a government, de jure or de facto of any nation or any political division thereof, or to further political, ideological, religious, social, economic or similar objectives or to express (or express opposition to) a philosophy or ideology,regardless of the amount of damages or losses.

- 3. A “certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an “act of terrorism” pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a “certified act of terrorism”:
 - a. The act resulted in aggregate losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - b. The act is a violent act or any act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

ARKANSAS AMENDATORY ENDORSEMENT

This endorsement modifies insurance coverage provided under the RESOLUTE PORTFOLIO FOR PRIVATE COMPANIES INSURANCE POLICY.

- A. It is understood and agreed that Clause 3. LIMITS OF LIABILITY of the General Terms & Conditions Section is deleted in its entirety and replaced by the following:

3. LIMITS OF LIABILITY

The Aggregate Limit of Liability For Each Separate Coverage Section, as set forth in Item 4 A. of the Declarations, is the maximum limit of liability of the **Insurer** for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this policy, for each applicable Coverage Section.

The Aggregate Limit of Liability For Each Combined Coverage Section, as set forth in Item 4 B. of the Declarations, is the maximum limit of liability of the **Insurer** for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this policy, for all of the Coverage Sections that comprise the applicable Combined Coverage Section. Any **Loss** paid under one of the Coverage Sections that comprises a Combined Coverage Section will reduce, and may exhaust, the limit of liability available under the other Coverage Section(s) that comprise(s) such Combined Coverage Section.

Any Sublimit(s) of Liability, whether set forth in Item 3 of the Declarations or as otherwise provided under the terms of this policy, shall be part of, and not in addition to, the applicable Aggregate Limit of Liability set forth in Item 4 A. or 4 B. of the Declarations. Each Sublimit of Liability is the maximum limit of liability of the **Insurer** for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this policy, to which the Sublimit(s) of Liability applies.

The Aggregate Policy Limit of Liability, as set forth in Item 4 C. of the Declarations, is the maximum limit of liability of the **Insurer** for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** and reported to the **Insurer** in accordance with the terms of this policy, for all Coverage Section(s) combined.

If any Aggregate Limit of Liability as set forth in Item 4 A. or 4 B. of the Declarations is exhausted by the payment of **Loss**, all obligations of the **Insurer** under this policy as respects the applicable Coverage Section(s) will be completely fulfilled and the **Insurer** will have no further obligations under this policy of any kind as respects the applicable Coverage Section(s) unless the Discovery Period is purchased and the premium as respects the applicable Coverage Section(s) as set forth in Item 7 of the Declarations will be fully earned.

Any payment of **Loss** under any Aggregate Limit of Liability as set forth in Item 4 A. or 4 B. of the Declarations shall reduce and may exhaust the Aggregate Policy Limit of Liability as set forth

in Item 4 C. of the Declarations. If the Aggregate Policy Limit of Liability is exhausted by the payment of such **Loss**, the **Insurer** will have no further obligations of any kind as respects this policy and the applicable premium set forth in Item 7 of the Declarations will be fully earned.

Defense Costs are part of, and not in addition to, the Aggregate Limits of Liability as set forth in Item 4 of the Declarations for each applicable Coverage Section and payment by the **Insurer** of **Defense Costs** shall reduce and may exhaust such Aggregate Limit(s) of Liability. **Defense Costs** are subject to the Aggregate Policy Limit of Liability set forth in Item 4 C. of the Declarations. However, for an additional premium the **Company** may purchase a separate limit for **Defense Costs** equal to 100% of the Limit of Liability. Such separate limit for **Defense Costs** purchased shall not be part of and shall be in addition to the Limit of Liability stated in Item 4 C. of the Declarations.

If a Discovery Period is purchased by the **Insured** pursuant to Clause 8 of this General Terms & Conditions Section, the Limit of Liability for the Discovery Period shall be equal to the amount of coverage remaining on the expiring policy or 50% of the Limit of Liability at policy inception, whichever is greater.

- B. It is understood and agreed that Clause 8. DISCOVERY CLAUSE of the General Terms & Conditions Section is deleted in its entirety and replaced by the following:

8. DISCOVERY CLAUSE

If the **Company** or the **Insurer** refuses to renew one or more Coverage Sections of this policy, or if this policy is terminated by the **Insurer** for any reason, or if an **Organizational Change** as defined in Clause 13 occurs, the **Insured(s)** shall have the right to purchase a Discovery Period of up to six years following the effective date of such non-renewal, termination or **Organizational Change**. In the event of the non-renewal of one or more Coverage Sections of this policy, the **Insured** may purchase a Discovery Period solely as respects the Coverage Section(s) that has been non-renewed.

The **Insured's** right to purchase a Discovery Period shall lapse unless written notice of election to purchase such Discovery Period and the additional premium for such Discovery Period is received by the **Insurer** or its authorized agent within sixty days after such non-renewal, termination or **Organizational Change**. The additional premium for a Discovery Period of one or two years is set forth in Item 8 of the Declarations and shall be determined by multiplying the applicable percentage set forth in Item 8 of the Declarations by the premium for each applicable Coverage Section(s) as set forth in Item 7 of the Declarations. The additional premium for a Discovery Period of more than two years shall be determined by the **Insurer**.

At the end of the automatic sixty day Discovery Period, which is provided at no additional charge, the **Insurer** will offer the Discovery Period as described above which will have a Limit of Liability equal to the amount of coverage remaining on the expiring policy or 50% of the Limit of Liability at policy inception, whichever is greater.

During such **Discovery Period**, the **Insured** may provide the **Insurer** with written notice, pursuant to Clause 5 of this policy, of **Claims** made against an **Insured** solely with respect to **Wrongful Acts** occurring prior to the effective date of the non-renewal or termination of the policy or the effective date of the **Organizational Change** and otherwise covered by this policy.

The Discovery Period premium shall be fully earned at the inception of the Discovery Period. The Discovery Period is non-cancellable.

- C. It is understood and agreed that Clause 12. CANCELLATION AND NON RENEWAL CLAUSE of the General Terms & Conditions Section is deleted in its entirety and replaced by the following:

12. CANCELLATION AND NON RENEWAL CLAUSE

This policy, or any applicable Coverage Section(s), may be cancelled by the **Parent Company** by sending written prior notice to the **Insurer** or its authorized agent as set forth in Item 9 of the Declarations stating when thereafter the cancellation of the policy, or the applicable Coverage Section(s), shall be effective. The policy, or the applicable Coverage Section(s), terminates at the date and hour specified in such notice. This policy may also be cancelled by the **Parent Company** by surrender of this policy to the **Insurer** or its authorized agent as set forth in Item 9 of the Declarations. The policy terminates as of the date and time of surrender. The **Insurer** shall retain the customary short rate proportion of the premium herein, unless stated otherwise herein.

This policy, or any applicable Coverage Section(s), shall not be cancelled by or on behalf of the **Insurer** except by reason of non-payment of the premium set forth in Item 7 of the Declarations. The **Insurer** may cancel the policy by delivering to the **Parent Company** or by mailing to the **Parent Company**, by registered mail, or by courier at the **Parent Company's** address set forth in the Declarations and to any lienholder or loss payee named in the policy, written notice stating when, not less than twenty (20) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice. In the event of such cancellation, the policy will be deemed terminated as of the date indicated in the **Insurer's** written notice of cancellation to the **Parent Company**.

Payment or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable. If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

The **Insurer** shall have no obligation to renew this policy or any applicable Coverage Section. In the event the **Insurer** decides to non-renew this policy or any applicable Coverage Section, it shall deliver or mail to the **Parent Company**, as identified in Item 1 of the Declarations, written notice of such decision at least sixty (60) days prior to the expiration of the **Policy Period**.

- D. It is understood and agreed that the following Clause is added to the General Terms & Conditions Section:

RENEWAL WITH PREMIUM INCREASE

If the **Insurer** decides to increase the current policy premium by more than 25%, the **Insurer** will deliver or mail by first class mail to the **Parent Company** at the address set forth in the Declarations written notice advising of the **Insurer's** action, which will include the amount of premium increase at least thirty (30) days before the expiration date of the policy. Proof of mailing of any notice shall be sufficient proof of notice.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

SERFF Tracking Number: TSMP-125692194 *State:* Arkansas
Filing Company: Allied World National Assurance Company *State Tracking Number:* #511760 \$50
Company Tracking Number: AWNAC-PRIVATE-AR-01 (F)
TOI: 17.0 Other Liability - Claims Made/Occurrence *Sub-TOI:* 17.0019 Professional Errors & Omissions
Liability
Product Name: Allied World National Assurance Company Resolute Portfolio For Private Companies Program
Project Name/Number: Resolute Portfolio For Private Companies Program/AWNAC-PRIVATE-AR-01 (F)

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: TSMP-125692194 State: Arkansas
 Filing Company: Allied World National Assurance Company State Tracking Number: #511760 \$50
 Company Tracking Number: AWNAC-PRIVATE-AR-01 (F)
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability
 Product Name: Allied World National Assurance Company Resolute Portfolio For Private Companies Program
 Project Name/Number: Resolute Portfolio For Private Companies Program/AWNAC-PRIVATE-AR-01 (F)

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 07/16/2008

Comments:

Attachment:

AR Property and Casualty Transmittal document - PRIVATE.pdf

Satisfied -Name: Authorization Letter **Review Status:** Approved 07/16/2008

Comments:

Attachment:

AWNAC Private Authorization Ltr.pdf

Satisfied -Name: Filing Memorandum **Review Status:** Approved 07/16/2008

Comments:

Attachment:

AWNAC Explanatory Memorandum - Private.pdf

Satisfied -Name: Forms Index **Review Status:** Approved 07/16/2008

Comments:

Attachment:

AR AWNAC Private Forms Index.pdf

Satisfied -Name: Cover Letter **Review Status:** Approved 07/16/2008

Comments:

Attachment:

AR AWNAC Private Cover Letter.pdf

16. Reference Organization (if applicable)	N/A
17. Reference Organization # & Title	N/A
18. Company's Date of Filing	6/12/08
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #	AWNAC-PRIVATE-AR-01 (F)
------------------------------------------------------------------	-------------------------

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

The Resolute PortfolioSM For Private Companies Program offers liability coverage for business risks faced by private companies. The Policy has three coverage sections that afford coverage for the following types of risks: (1) Directors and Officers Liability; (2) Employment Practices Liability; and (3) Fiduciary Liability. The Insureds may purchase any or all of the coverage sections. Additionally, Insureds may elect separate or combined limits of liability depending on their risk appetite.

The Policy's Directors and Officers Liability Coverage Section extends broad-based coverage to Executives for Wrongful Acts committed in their capacity as Executives, Employees or Outside Entity Insured Person for the Insured Company. The Policy extends coverage to the insured Company for Claims made against it for Wrongful Acts as well as for costs arising from Derivative Demands.

The Employment Practices Liability Coverage Section of the Policy extends coverage for Discrimination, Harassment, Retaliation, Workplace Torts or Wrongful Employment Decisions committed by an Insured if the act relates to an Employee or applicant for employment with the Company or an Outside Entity. This section also offers optional coverage for Third-Party Claims arising from Third-party Wrongful Acts.

The Policy's Fiduciary Liability Coverage Section extends coverage to the Company, any Plan, Insured Persons and any other person or entity in his, her or its capacity as a fiduciary, administrator or trustee of a Plan which is included within the definition of Insured by an endorsement attached to the Policy. This section also provides coverage for HIPAA Claims and offers optional coverage for Voluntary Compliance Program Loss, as permitted under applicable state law.

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]
<p>Check #: 511760 Amount: \$50.00</p> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>

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



ALLIED WORLD NATIONAL ASSURANCE COMPANY
225 Franklin Street, Boston, MA 02110 • Tel. (857) 288-6000 • Fax (617) 556-8060

May 6, 2008

Re: Letter of Authorization for Tressler, Soderstrom, Maloney & Priess, LLP
Resolute Portfolio for Private Companies

I, Al Fantuzzi, am a duly appointed authorized officer of Allied World National Assurance Company. This letter authorizes Tressler, Soderstrom, Maloney & Priess, LLP and Carrie E. Cope to file the above-referenced program on behalf of ALLIED WORLD NATIONAL ASSURANCE COMPANY, and to respond to any inquiries raised in connection with the filing of the program.

Please direct all inquiries and correspondence regarding this filing to:

Carrie E. Cope
Tressler, Soderstrom, Maloney & Priess, LLP
Sears Tower, 22nd Floor
233 South Wacker Drive
Chicago, IL 60606-6399

Phone: (312) 627-4188
Email: ccope@tsmp.com

Thank you for your assistance. Please contact me if you have any comments or questions regarding this authorization.

Sincerely Yours,

A handwritten signature in black ink, appearing to read 'Al Fantuzzi', with a long horizontal line extending to the right.

Al Fantuzzi
Vice President

**Allied World National Assurance Company
Resolute PortfolioSM For Private Companies Program**

Filing Memorandum

The Resolute PortfolioSM For Private Companies Program offers liability coverage for business risks faced by private companies. The Policy has three coverage sections that afford coverage for the following types of risks: (1) Directors and Officers Liability; (2) Employment Practices Liability; and (3) Fiduciary Liability. The Insureds may purchase any or all of the coverage sections. Additionally, Insureds may elect separate or combined limits of liability depending on their risk appetite.

The Policy's Directors and Officers Liability Coverage Section extends broad-based coverage to Executives for Wrongful Acts committed in their capacity as Executives, Employees or Outside Entity Insured Person for the Insured Company. The Policy extends coverage to the insured Company for Claims made against it for Wrongful Acts as well as for costs arising from Derivative Demands.

The Employment Practices Liability Coverage Section of the Policy extends coverage for Discrimination, Harassment, Retaliation, Workplace Torts or Wrongful Employment Decisions committed by an Insured if the act relates to an Employee or applicant for employment with the Company or an Outside Entity. This section also offers optional coverage for Third-Party Claims arising from Third-party Wrongful Acts.

The Policy's Fiduciary Liability Coverage Section extends coverage to the Company, any Plan, Insured Persons and any other person or entity in his, her or its capacity as a fiduciary, administrator or trustee of a Plan which is included within the definition of Insured by an endorsement attached to the Policy. This section also provides coverage for HIPAA Claims and offers optional coverage for Voluntary Compliance Program Loss, as permitted under applicable state law.

An index is attached which identifies the forms to be used with this Program.

RESOLUTE PORTFOLIOSM is a registered service mark owned by C. V. Starr & Co., Inc., licensed for use to Allied World National Assurance Company all rights reserved.

ALLIED WORLD NATIONAL ASSURANCE COMPANY (AWNAC)
RESOLUTE PORTFOLIOSM
For Private Companies
Forms Index
ARKANSAS

	FORM NUMBER	TITLE
1.	PG 00004 00 (03/08)	<u>Resolute Portfolio For Private Companies Declarations</u> - This is the Declarations Page to be used with the Policy.
2.	PG 00008 00 (03/08)	<u>Resolute Portfolio For Private Companies General Terms & Conditions Section</u> - This section provides the general terms and conditions for all coverage parts.
3.	PG 00012 00 (03/08)	<u>Resolute Portfolio For Private Companies Directors & Officers Liability Coverage Section</u> - This section affords directors and officers liability coverage.
4.	PG 00016 00 (03/08)	<u>Resolute Portfolio For Private Companies Employment Practices Liability Coverage Section</u> - This section affords employment practices liability coverage.
5.	PG 00020 00 (03/08)	<u>Resolute Portfolio For Private Companies Fiduciary Liability Coverage Section</u> - This section affords fiduciary liability coverage.
6.	PG 00024 00 (03/08)	<u>Resolute Portfolio For Private Companies Insurance (Inclusive of Directors & Officers Liability, Employment Practices Liability and Fiduciary Liability) Application</u> - This is the application form used to obtain information for underwriting the Policy.
7.	PG 00038 00 (03/08)	<u>State Amendatory Inconsistency</u> - This endorsement modifies the General Terms & Conditions Section so that if there is an inconsistency between the policy and the state amendatory endorsement, where permitted by law, the terms and conditions of whichever is more favorable will be applied by the Insurer.
8.	PG 00039 00 (03/08)	<u>Reliance Endorsement (specified applications)</u> - This endorsement is used to confirm the accuracy of the statements and representations made in the application as of the date of the endorsement.
9.	PG 00040 00 (03/08)	<u>Reliance Endorsement (other applications)</u> - This endorsement is used to confirm the accuracy of the statements and representations made in the application as of the date specified in the endorsement.
10.	PG 00041 00 (03/08)	<u>Actuarial E&O Exclusion (Fiduciary Coverage Section)</u> - This endorsement modifies the Fiduciary Coverage Section so that the policy does not cover Loss in connection with any Claim alleging, arising out of, based upon or attributable to any actuarial act, error, omission or assumption.
11.	PG 00042 00 (03/08)	<u>Amend Definition of Plan By Adding Specific Plans (Fiduciary Coverage Section)</u> - This endorsement amends the Fiduciary Coverage Section to include coverage for the Plans specified in the endorsement.
12.	PG 00043 00 (03/08)	<u>Sponsor Organization Exclusion (Fiduciary Coverage Section)</u> - This endorsement amends the Fiduciary Coverage Section to exclude coverage for any Claim brought by or against the Parent Company or any Subsidiary thereof.

13.	PG 00044 00 (03/08)	<u>Amend Sponsor Organization Securities Coverage-Sublimit of Liability and Retention (Fiduciary Coverage Section)</u> - This endorsement modifies the Fiduciary Coverage Section by providing a sublimit for claims arising out of, based upon, or attributable to any securities of the Company.
14.	PG 00045 04 (03/08)	<u>Employed Lawyers Coverage Extension-Co-Defendant Basis Only (D&O Coverage Section)</u> - This endorsement modifies the D&O Coverage Section so that the policy includes coverage for Employed Lawyers, specified in the endorsement.
15.	PG 00046 04 (03/08)	<u>Employed Lawyers Coverage Extension (D&O Coverage Section)</u> - This endorsement modifies the D&O Coverage Section so that the policy includes coverage for Employed Lawyers, specified in the endorsement.
16.	PG 00047 00 (03/08)	<u>OFAC Exclusion (all Coverage Sections)</u> - This endorsement amends all three coverage sections to exclude Loss for any Claim in the event that such coverage would not be in compliance with any United States of America economic or trade sanctions, laws or regulations.
17.	PG 00048 00 (03/08)	<u>Delete Exclusion</u> - This endorsement modifies the coverage section specified in the endorsement by deleting the exclusion specified in the endorsement.
18.	PG 00049 04 (03/08)	<u>Franchisee E&O Exclusion- With Exception for Securities Claims (D&O Coverage Section)</u> - This endorsement modifies the D&O Coverage Section so that the policy shall not cover any Loss in connection with any Claim alleging, arising out of, based upon or attributable to: (1) the selling of franchises by the Company or any Insured Person; or (2) any franchising operation performed by the franchisee. However, the exclusion does not apply to a Securities Claim.
19.	PG 00050 04 (03/08)	<u>Major Shareholder Exclusion (D&O Coverage Section)</u> - This endorsement modifies the D&O Coverage Section so that the policy does not cover any Loss in connection with any Claim against any Insured which is made by an individual(s) or entity(ies) that own or control a percent specified in the endorsement of the outstanding voting stock of the Company.
20.	PG 00051 02 (03/08)	<u>Amend Contract Exclusion (D&O Coverage Section)</u> - This endorsement amends Exclusion (e) of the D&O Coverage Section so that it applies to all insuring agreements.
21.	PG 00052 00 (03/08)	<u>Specific Litigation/Event Exclusion</u> - This endorsement amends the coverage section specified in the endorsement to exclude coverage for a specified "Event" as defined in the endorsement.
22.	PG 00053 00 (03/08)	<u>Specific Litigation/Event Exclusion-Includes Sec Filings</u> - This endorsement excludes coverage for specified "Events" as defined in the endorsement, including SEC filings.
23.	PG 00054 02 (03/08)	<u>Absolute Bodily Injury/Property Damage Exclusion (D&O Coverage Section)</u> - This endorsement amends Exclusion (n) of the D&O Coverage Section so that the exclusion applies to any Claim "alleging, arising out of, based upon or attributable to" bodily injury and property damage and deletes the carveback for Securities Claims.
24.	PG 00055 04 (03/08)	<u>Absolute Bodily Injury/Property Damage Exclusion (EPL Coverage Section)</u> - This endorsement modifies the bodily injury/property damage exclusion by deleting the carveback for emotion distress or mental anguish associated with a Wrongful Act.

25.	PG 00056 02 (03/08)	<u>Amend Pollution Exclusion-Delete Exception for Securities Claims (D&O Coverage Section)</u> - This endorsement deletes the carveback for Securities Claims in Exclusion (j) of the D&O Coverage Section.
26.	PG 00057 04 (03/08)	<u>Anti-Trust Exclusion - Applies to Entity Only (D&O Coverage Section)</u> - This endorsement modifies the D&O Coverage Section so that the policy shall not cover Loss in connection with any Claim alleging, arising out of, based upon or attributable to any violation of any law, whether statutory, regulatory or common, as respects to: anti-trust, business competition, unfair trade practices or tortuous interference in another's business or contractual relationships. However, the exclusion applies only to the Company.
27.	PG 00058 04 (03/08)	<u>Anti-Trust Exclusion (D&O Coverage Section)</u> - This endorsement modifies the D&O Coverage Section so that the policy shall not cover Loss in connection with any Claim alleging, arising out of, based upon or attributable to any violation of any law, whether statutory, regulatory or common, as respects to: anti-trust, business competition, unfair trade practices or tortuous interference in another's business or contractual relationships.
28.	PG 00059 04 (03/08)	<u>Anti-Trust Claim Coverage Extension-With Sublimit (D&O Coverage Section)</u> - This endorsement modifies the D&O Coverage Section so that coverage is provided for Loss in connection with an Anti-Trust Claim as defined in the endorsement subject to a Sub-Limit of Liability for Anti-Trust Claim Coverage.
29.	PG 00060 04 (03/08)	<u>Anti-Trust Claim Coverage Extension-With Separate Retention, Sublimit and Co-Insurance (D&O Coverage Section)</u> - This endorsement modifies the D&O Coverage Section so that coverage is provided for Loss in connection with an Anti-Trust Claim as defined in the endorsement subject to a Sub-Limit of Liability and a Retention.
30.	PG 00063 00 (03/08)	<u>Prior Acts Exclusion</u> - This endorsement modifies the coverage section specified in the endorsement to exclude Loss in connection with any Claim alleging, arising out of, based upon or attributable to the facts alleged, or to the same or related Wrongful Acts committed, attempted, or allegedly committed or attempted in whole, or in part, prior to the date specified in the endorsement.
31.	PG 00064 04 (03/08)	<u>Retention For Class Actions (EPL Coverage Section)</u> - This endorsement modifies Item 5B. of the Declarations to provide a separate Retention for Class Action Claims under the Employment Practices Coverage Section Insuring Agreements.
32.	PG 00065 04 (03/08)	<u>Amend Wage and Hour Exclusion-Add Defense Costs Coverage with Sublimit (EPL Coverage Section)</u> - This endorsement modifies the EPL Coverage Section to provide coverage for defense costs for wage and hour Claims subject to a Sublimit of Liability of the amount specified in the endorsement.
33.	PG 00066 04 (03/08)	<u>Specific Entity Exclusion-Claims Brought Against Such Entity (D&O Coverage Section)</u> - This endorsement modifies the D&O Coverage Section so that the policy shall not cover any Loss in connection with any Claim brought against any Entity specified in the endorsement and/or any Insured Person thereof.
34.	PG 00067 04 (03/08)	<u>Specific Entity Exclusion-Claims Brought By Such Entity (D&O Coverage Section)</u> - This endorsement modifies the D&O Coverage Section so that the policy does not cover Loss in connection with any Claim brought by or on behalf of an Entity specified in the endorsement and/or any Insured Person thereof; or brought by any security holder of the Company, whether directly or derivatively, unless such Claim is instigated and continued totally independent of, or without the intervention of such Entity and/or any Insured Person thereof.

35.	PG 00068 04 (03/08)	<u>Full Nuclear Exclusion (D&O Coverage Section)</u> - This endorsement modifies the D&O Coverage Section so that the policy shall not cover any Loss in connection with any Claim alleging, arising out of, based upon or attributable to nuclear fission, nuclear fusion, radioactive contamination or the hazardous properties of any nuclear materials.
36.	PG 00069 04 (03/08)	<u>Director Exclusion (EPL Coverage Section)</u> - This endorsement modifies the EPL coverage section so that coverage is excluded for any Loss in connection with any Claim brought by or on behalf of any Insured Person who is or was a director of any Company.
37.	PG 00070 04 (03/08)	<u>Delete Entity Coverage (EPL Coverage Section)</u> - This endorsement modifies the EPL Coverage Section so that the policy does not provide coverage for a Claim against the Company.
38.	PG 00071 04 (03/08)	<u>Amend Definition of "Loss"-Add Punitive Damages Sublimit (D&O Coverage Section)</u> - This endorsement modifies the D&O Coverage Section so that the maximum aggregate of the Insurer's liability for all Loss (including Defense Costs arising from an award of punitive, exemplary and multiple damages combined), shall not be greater than the amount specified in the endorsement.
39	PG 00072 04 (03/08)	<u>Amend Definition of "Loss"-Add Punitive Damages Sublimit (EPL Coverage Section)</u> - This endorsement modifies the EPL Coverage Section so that the maximum aggregate of the Insurer's liability for all Loss (including Defense Costs arising from an award of punitive, exemplary and multiple damages combined), shall not be greater than the amount specified in the endorsement.
40.	PG 00073 02 (03/08)	<u>Amend Definition of "Subsidiary" - Change Revenue Threshold (D&O Coverage Section)</u> - This endorsement modifies the D&O Coverage Section so that the automatic subsidiary threshold for subsidiaries is changed from 25% to the percent specified in the endorsement.
41.	PG 00074 04 (03/08)	<u>Amend Definition of "Subsidiary"-Change Employee Threshold (EPL Coverage Section)</u> - This endorsement modifies the EPL Coverage Section so that automatic subsidiary threshold in the definition of "Subsidiary" is changed from 25% to the percent specified in the endorsement.
42.	PG 00075 02 (03/08)	<u>Amend Notice Clause: Post Policy Reporting</u> - This endorsement modifies Clause 5. of the General Terms & Conditions section so that notice shall be provided no later than the number of days specified in the endorsement.
43.	PG 00077 00 (03/08)	<u>Pending or Prior Litigation Exclusion-Increased Limits</u> - This endorsement amends the coverage section specified in the endorsement so that coverage is excluded for Loss in connection with any Claim alleging, arising out of, based upon or attributable to any pending or prior litigation or administrative or regulatory proceeding or investigation of which an Insured had notice prior to the date specified in the endorsement and it applies to the Limit of Liability as specified in the endorsement.
44.	PG 00080 02 (03/08)	<u>Amend Defense of Claim and Settlement Clause-Delete Insurer's Duty to Defend; With Option to Tender Defense</u> - This endorsement modifies the General Terms & Conditions Section so that the Insured has the duty to defend and contest any Claim against them with the option to tender the defense of a Claim to the Insurer within thirty days of the date the Claim is first made against an Insured.

45.	PG 00081 00 (03/08)	<u>Amend Definition of "Loss"-Investment Loss Coverage (Fiduciary Coverage Section)</u> - This endorsement modifies Section 2. (m)(vi) of the Fiduciary Coverage section by expanding the definition of "Loss" to provide coverage for a monetary award or a settlement payment as respects a Claim against the Insured alleging a loss to the Plan and/or accounts of such Plan's participants by reason of a change in the value of the investments held by such Plan.
46.	PG 00082 00 (03/08)	<u>Policyholder Disclosure Statement Under the Terrorism Risk Insurance Act</u> - This notice advises the Insured that it has a right to purchase insurance coverage arising out of an Act of Terrorism.
47.	PG 00083 00 (03/08)	<u>Exclusion of Certified Acts of Terrorism and Non-Certified Acts of Terrorism</u> - This endorsement excludes coverage for certified and non-certified acts of terrorism.
48.	PG 00084 00 (03/08)	<u>Exclusion of Certified Acts of Terrorism</u> - This endorsement excludes coverage for certified acts of terrorism.
49.	PG 00085 00 (03/08)	<u>Exclusion of Non-Certified Acts of Terrorism and Coverage of Certified Acts of Terrorism</u> - This endorsement excludes coverage for non-certified acts of terrorism.
50.	PG 00026 03 (03/08)	<u>Arkansas Amendatory Endorsement</u> - This endorsement is used to comply with applicable Arkansas state laws and regulations.



TRESSLER, SODERSTROM, MALONEY & PRIESS, LLP
ATTORNEYS AT LAW

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233 S. Wacker Drive
Chicago, Illinois 60606-6399
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Carrie E. Cope
(312) 627-4188
ccope@tsmp.com

June 12, 2008

VIA SERFF

Ms. Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
Property & Casualty Division
1200 West 3rd Street
Little Rock, Arkansas 72201-1904

Re: Allied World National Assurance Company
Resolute PortfolioSM For Private Companies Program
Our filing no.: AWNAC-PRIVATE-AR-01 (F)
NAIC: Group Code: 3239
Company Code: 10690
FEIN: 02-0493244
SERFF Tracking No.: TSMP-125692194

Dear Ms. Bowman:

Tressler, Soderstrom, Maloney & Priess, LLP is submitting the above referenced Resolute PortfolioSM For Private Companies Program ("Program") for your review on behalf of Allied World National Assurance Company. This new Program offers the following types of commercial liability coverage to private companies: (1) directors and officers liability; (2) employment practices liability; and (3) fiduciary liability. We have enclosed a Filing Memorandum that briefly describes the coverage afforded by the Policy.

Enclosed please find the following documents in support of this filing:

1. A letter authorizing Tressler, Soderstrom, Maloney & Priess, LLP to file this Program on behalf of Allied World National Assurance Company;
2. Resolute Portfolio for Private Companies Declarations, Form #PG 00004 00 (03/08);
3. Resolute Portfolio for Private Companies General Terms & Conditions Section, Form #PG 00008 00 (03/08);

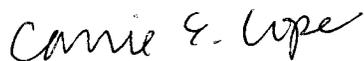
Ms. Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
June 12, 2008
Page 2

4. Resolute Portfolio for Private Companies Directors and Officers Liability Coverage Section, Form #PG 00012 00 (03/08);
5. Resolute Portfolio for Private Companies Employment Practices Liability Coverage Section, Form # PG 00016 00 (03/08);
6. Resolute Portfolio for Private Companies Fiduciary Liability Coverage Section, Form #PG 00020 00 (03/08);
7. Resolute Portfolio for Private Companies Insurance (Inclusive of Directors & Officers Liability, Employment Practices Liability and Fiduciary Liability) Application, Form #PG 00024 00 (03/08);
8. Arkansas Amendatory Endorsement, Form # PG 00026 03 (03/08);
9. Various endorsements to be used with the Program; and
10. A detailed forms index which includes a brief description of each form; and
11. The required state filing form: Property & Casualty Transmittal Document.

Please note that we will be submitting a Rate filing for this Program under separate cover shortly. In addition, we are enclosing a check for \$50.00 as we understand that the state of Arkansas assesses a \$50.00 form filing fee.

We trust that you will find this filing satisfactory. If you have any comments or questions regarding this filing, please do not hesitate to contact me. Thank you for your assistance.

Very truly yours,



Carrie E. Cope

CEC/jmr
Enclosures

SERFF Tracking Number: TSMP-125692194 State: Arkansas
 Filing Company: Allied World National Assurance Company State Tracking Number: #511760 \$50
 Company Tracking Number: AWNAC-PRIVATE-AR-01 (F)
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions
 Liability
 Product Name: Allied World National Assurance Company Resolute Portfolio For Private Companies Program
 Project Name/Number: Resolute Portfolio For Private Companies Program/AWNAC-PRIVATE-AR-01 (F)

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Arkansas Amendatory Endorsement	06/12/2008	AR Private Amendatory.pdf

Endorsement No.:

This endorsement, effective:

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.:

Issued to:

By:

ARKANSAS AMENDATORY ENDORSEMENT

This endorsement modifies insurance coverage provided under the RESOLUTE PORTFOLIO FOR PRIVATE COMPANIES INSURANCE POLICY.

A. It is understood and agreed that Clause 3. LIMITS OF LIABILITY of the General Terms & Conditions Section is deleted in its entirety and replaced by the following:

3. LIMITS OF LIABILITY

The Aggregate Limit of Liability For Each Separate Coverage Section, as set forth in Item 4 A. of the Declarations, is the maximum limit of liability of the **Insurer** for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** (or Discovery Period, if applicable) and reported to the **Insurer** in accordance with the terms of this policy, for each applicable Coverage Section.

The Aggregate Limit of Liability For Each Combined Coverage Section, as set forth in Item 4 B. of the Declarations, is the maximum limit of liability of the **Insurer** for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** (or Discovery Period, if applicable) and reported to the **Insurer** in accordance with the terms of this policy, for all of the Coverage Sections that comprise the applicable Combined Coverage Section. Any **Loss** paid under one of the Coverage Sections that comprises a Combined Coverage Section will reduce, and may exhaust, the limit of liability available under the other Coverage Section(s) that comprise(s) such Combined Coverage Section.

Any Sublimit(s) of Liability, whether set forth in Item 3 of the Declarations or as otherwise provided under the terms of this policy, shall be part of, and not in addition to, the applicable Aggregate Limit of Liability set forth in Item 4 A. or 4 B. of the Declarations. Each Sublimit of Liability is the maximum limit of liability of the **Insurer** for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** (or Discovery Period, if applicable) and reported to the **Insurer** in accordance with the terms of this policy, to which the Sublimit(s) of Liability applies.

The Aggregate Policy Limit of Liability, as set forth in Item 4 C. of the Declarations, is the maximum limit of liability of the **Insurer** for all **Loss**, including **Defense Costs**, from all **Claims** first made during the **Policy Period** (or Discovery Period, if applicable) and reported to the **Insurer** in accordance with the terms of this policy, for all Coverage Section(s) combined.

If any Aggregate Limit of Liability as set forth in Item 4 A. or 4 B. of the Declarations is exhausted by the payment of **Loss**, all obligations of the **Insurer** under this policy as respects the applicable Coverage Section(s) will be completely fulfilled and the **Insurer** will have no further obligations under this policy of any kind as respects the applicable Coverage Section(s) and the premium as respects the applicable Coverage Section(s) as set forth in Item 7 of the Declarations will be fully earned.

Any payment of **Loss** under any Aggregate Limit of Liability as set forth in Item 4 A. or 4 B. of the Declarations shall reduce and may exhaust the Aggregate Policy Limit of Liability as set forth in Item 4 C. of the Declarations. If the Aggregate Policy Limit of Liability is exhausted by the payment of such **Loss**, the **Insurer** will have no further obligations of any kind as respects this policy and the applicable premium set forth in Item 7 of the Declarations will be fully earned.

Defense Costs are part of, and not in addition to, the Aggregate Limits of Liability as set forth in Item 4 of the Declarations for each applicable Coverage Section and payment by the **Insurer** of **Defense Costs** shall reduce and may exhaust such Aggregate Limit(s) of Liability. **Defense Costs** are subject to the Aggregate Policy Limit of Liability set forth in Item 4 C. of the Declarations. However, for an additional premium the **Company** may purchase a separate limit for **Defense Costs** equal to 100% of the Limit of Liability. Such separate limit for **Defense Costs** purchased shall not be part of and shall be in addition to the Limit of Liability stated in Item 4 C. of the Declarations.

If a Discovery Period is purchased by the **Insured** pursuant to Clause 8 of this General Terms & Conditions Section, the Limit of Liability for the Discovery Period shall be part of, and not in addition to, the applicable Limits of Liability as set forth in Item 4 of the Declarations.

- B. It is understood and agreed that Clause 8. DISCOVERY CLAUSE of the General Terms & Conditions Section is deleted in its entirety and replaced by the following:

8. DISCOVERY CLAUSE

If the **Company** or the **Insurer** refuses to renew one or more Coverage Sections of this policy, or if this policy is terminated by the **Insurer** for any reason (except for non-payment of premium), or if an **Organizational Change** as defined in Clause 13 occurs, the **Insured(s)** shall have the right to purchase a Discovery Period of up to six years following the effective date of such non-renewal, termination or **Organizational Change**. In the event of the non-renewal of one or more Coverage Sections of this policy, the **Insured** may purchase a Discovery Period solely as respects the Coverage Section(s) that has been non-renewed.

The **Insured's** right to purchase a Discovery Period shall lapse unless written notice of election to purchase such Discovery Period and the additional premium for such Discovery Period is received by the **Insurer** or its authorized agent within sixty days after such non-renewal, termination or **Organizational Change**. The additional premium for a Discovery Period of one or two years is set forth in Item 8 of the Declarations and shall be determined by multiplying the applicable percentage set forth in Item 8 of the Declarations by the premium for each applicable Coverage Section(s) as set forth in Item 7 of the Declarations. The additional premium for a Discovery Period of more than two years shall be determined by the **Insurer**.

At the end of the automatic sixty day Discovery Period, the **Insurer** will offer the Discovery Period as described above which will have a Limit of Liability equal to the amount of coverage remaining on the expiring policy or 50% of the Limit of Liability at policy inception, whichever is greater.

During such **Discovery Period**, the **Insured** may provide the **Insurer** with written notice, pursuant to Clause 5 of this policy, of **Claims** made against an **Insured** solely with respect to **Wrongful Acts** occurring prior to the effective date of the non-renewal or termination of the policy or the effective date of the **Organizational Change** and otherwise covered by this policy.

The Discovery Period premium shall be fully earned at the inception of the Discovery Period. The Discovery Period is non-cancellable.

- C. It is understood and agreed that Clause 12. CANCELLATION AND NON RENEWAL CLAUSE of the General Terms & Conditions Section is deleted in its entirety and replaced by the following:

12. CANCELLATION AND NON RENEWAL CLAUSE

This policy, or any applicable Coverage Section(s), may be cancelled by the **Parent Company** by sending written prior notice to the **Insurer** or its authorized agent as set forth in Item 9 of the Declarations stating when thereafter the cancellation of the policy, or the applicable Coverage Section(s), shall be effective. The policy, or the applicable Coverage Section(s), terminates at the date and hour specified in such notice. This policy may also be cancelled by the **Parent Company** by surrender of this policy to the **Insurer** or its authorized agent as set forth in Item 9 of the Declarations. The policy terminates as of the date and time of surrender. The **Insurer** shall retain the customary short rate proportion of the premium herein, unless stated otherwise herein.

This policy, or any applicable Coverage Section(s), shall not be cancelled by or on behalf of the **Insurer** except by reason of non-payment of the premium set forth in Item 7 of the Declarations. The **Insurer** may cancel the policy by delivering to the **Parent Company** or by mailing to the **Parent Company**, by registered mail, or by courier at the **Parent Company's** address set forth in the Declarations and to any lienholder or loss payee named in the policy, written notice stating when, not less than twenty (20) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice. In the event of such cancellation, the policy will be deemed terminated as of the date indicated in the **Insurer's** written notice of cancellation to the **Parent Company**.

Payment or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable. If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

The **Insurer** shall have no obligation to renew this policy or any applicable Coverage Section. In the event the **Insurer** decides to non-renew this policy or any applicable Coverage Section, it shall deliver or mail to the **Parent Company**, as identified in Item 1 of the Declarations, written notice of such decision at least sixty (60) days prior to the expiration of the **Policy Period**.

- D. It is understood and agreed that the following Clause is added to the General Terms & Conditions Section:

RENEWAL WITH PREMIUM INCREASE

If the **Insurer** decides to increase the current policy premium by more than 25%, the **Insurer** will deliver or mail by first class mail to the **Parent Company** at the address set forth in the Declarations written notice advising of the **Insurer's** action, which will include the amount of premium increase at least thirty (30) days before the expiration date of the policy. Proof of mailing of any notice shall be sufficient proof of notice.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE