

## SAFETALENT EMPLOYMENT PRACTICES LIABILITY INSURANCE

**CLAIMS MADE NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS SUBJECT TO ITS TERMS. THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSUREDS AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.**

**UNLESS OTHERWISE STATED BY ENDORSEMENT TO THIS POLICY, AMOUNTS INCURRED AS COSTS OF DEFENSE SHALL REDUCE AND CAN EXHAUST THE LIMIT OF LIABILITY.**

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

### I. INSURING AGREEMENTS

---

#### A. WRONGFUL EMPLOYMENT ACTS COVERAGE

This Policy shall pay on behalf of the **INSUREDS** all **LOSS** up to the aggregate Limit of Liability stated in Item 3. A. of the Declarations arising from any **EMPLOYMENT CLAIM** first made against the **INSUREDS** during the **POLICY PERIOD** and reported to the **INSURER** in accordance with section VII. of this Policy, for any actual or alleged **WRONGFUL EMPLOYMENT ACT**.

#### B. THIRD PARTY WRONGFUL ACTS COVERAGE

---

This Policy shall pay on behalf of the **INSUREDS** all **LOSS** up to the aggregate sublimit of liability stated in Item 3.B. of the Declarations arising from any **THIRD PARTY CLAIM** first made against the **INSUREDS** during the **POLICY PERIOD** and reported to the **INSURER** in accordance with section VII. of this Policy, for any actual or alleged **THIRD PARTY WRONGFUL ACT**.

#### C. DEFENSE COVERAGE FOR PARTNERSHIP AGREEMENT DISPUTES

---

This Policy shall pay on behalf of the **INSUREDS** the **COSTS OF DEFENSE** up to the aggregate sublimit of liability stated in Item 3. C. of the Declarations arising from any **PARTNERSHIP AGREEMENT DISPUTE CLAIM** first made against the **INSUREDS** during the **POLICY PERIOD** and reported to the **INSURER** in accordance with section VII. of this Policy, for any actual or alleged **PARTNERSHIP AGREEMENT DISPUTE**.

#### D. DEFENSE COVERAGE FOR WAGE AND HOUR CLAIMS

---

This Policy shall pay on behalf of the **INSUREDS** the **COSTS OF DEFENSE** up to the aggregate sublimit of liability stated in Item 3. D. of the Declarations arising from any **WAGE AND HOUR CLAIM** first made against the **INSUREDS** during the **POLICY PERIOD** and reported to the **INSURER** in accordance with section VII. of this Policy, for any actual or alleged **WAGE AND HOUR WRONGFUL ACT**.

### II. EXTENSIONS

---

#### A. EXTENDED REPORTING PERIOD

1. If this Policy is canceled or non-renewed by the **INSURER** or the **NAMED INSURED**, then the **NAMED INSURED** shall have the right to purchase an **EXTENDED REPORTING PERIOD**. Such right must be exercised by the **NAMED INSURED** prior to the termination of the **POLICY PERIOD** by providing:
  - a. written notice to the **INSURER**; and
  - b. with the written notice, 100% of the amount of additional premium described below.
2. The right to purchase an **EXTENDED REPORTING PERIOD** shall not be available to the **NAMED INSURED** if cancellation or non-renewal by the **INSURER** is due to non-payment of premium or failure of an **Insured** to comply with the terms of this Policy.
3. The **EXTENDED REPORTING PERIOD** is non-cancelable and the entire premium shall be deemed fully earned at its commencement without any obligation by the **INSURER** to return any portion thereof. The additional premium for the **EXTENDED REPORTING PERIOD** shall be based upon the rates for such coverage in effect on the date this Policy was issued or last renewed and shall be: one (1) year at 100% of such premium, or two (2) years at 175% of such premium.
4. The quotation by the **INSURER** of a different premium or Deductible or Limits of Liability or changes in Policy language for the purpose of renewal shall not constitute a refusal to renew by the **INSURER**.

5. The **INSURER'S** liability for all **CLAIMS** first made and reported during the **EXTENDED REPORTING PERIOD** shall be part of and not in addition to the Limits of Liability for the **POLICY PERIOD** as set forth in Item 2. the Declarations and section V. Limits of Liability and Deductibles.
6. If the **NAMED INSURED** cancels or if the **INSURER** or the **NAMED INSURED** refuses to renew this Policy, then without any additional premium being required, there shall be an automatic sixty (60) day **EXTENDED REPORTING PERIOD** only if there is no other policy or policies that would otherwise provide insurance for such **WRONGFUL ACT**.

### **B. ESTATES, LEGAL REPRESENTATIVES, SPOUSES AND DOMESTIC PARTNERS**

This Policy shall cover **LOSS** arising from a **CLAIM** made against:

1. the heirs, executors, administrators, and legal representatives of an **INSURED** in the event of death, incapacity or bankruptcy, but solely with respect to the liability of an **INSURED** as otherwise covered by this Policy; or
2. 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) of an **INSURED** for a **CLAIM** arising solely out of his or her status as the "spouse" or domestic partner of an **INSURED**, including a **CLAIM** that seeks **DAMAGES** recoverable from marital community property, property jointly held by the **INSURED** and the "spouse" or domestic partner, or property transferred from the **INSURED** to the "spouse" or domestic partner. As used herein, "spouse" shall include a person that is party to a civil union with the **INSURED** if they establish such civil union under the licensing process established by the applicable jurisdiction. However, this extension shall not afford coverage for any **CLAIM** for any **WRONGFUL ACT** of the "spouse" or domestic partner, but shall apply only to **CLAIMS** arising out of any **WRONGFUL ACT** of an **INSURED**.

### **C. PUNITIVE DAMAGES**

**DAMAGES** also means, where insurable, liquidated, punitive, or exemplary **DAMAGES**, or any multiplied **DAMAGES** award in excess of the amount so multiplied. Such coverage for liquidated, punitive, exemplary or multiplied **DAMAGES** is part of and not in addition to the Limit of Liability, and any payment of such **DAMAGES** shall serve to reduce the Limit of Liability. Only for the purpose of resolving any dispute between the **INSURER** and the **INSURED** regarding whether such liquidated, punitive, exemplary or multiplied **DAMAGES** are insurable under this Policy, the law of the jurisdiction most favorable to the insurability of those **DAMAGES** shall control, provided that such jurisdiction is where:

1. those **DAMAGES** were awarded or imposed; or
2. any **WRONGFUL ACT** occurred for which such **DAMAGES** were awarded or imposed; or
3. the **INSURED** resides, is incorporated or has its principal place of business; or
4. the **INSURER** is incorporated or has its principal place of business.

### **D. COVERAGE TERRITORY**

This Policy applies to any **WRONGFUL ACT** taking place anywhere in the world, provided that the **CLAIM** is made and suit is brought against the **INSURED** within the United States of America, including its territories, possessions, Puerto Rico or Canada.

## **III. DEFINITIONS**

Whenever printed in boldface type and whether in the singular or plural form in this Policy, the following terms shall have the meanings indicated below.

- A. **APPLICATION** means any materials submitted by or on behalf of the **INSUREDS** in connection with the underwriting of this Policy or any policy of which this Policy is a renewal or replacement or succeeds in time.
- B. **CLAIM** means any: **EMPLOYMENT CLAIM**; **THIRD PARTY CLAIM**; **PARTNERSHIP AGREEMENT DISPUTE CLAIM**; or **WAGE AND HOUR CLAIM**.

A **CLAIM** shall be deemed to have been first made at the time notice of the **CLAIM** is first received by any **INSURED**.

- C. **CLAIMANT** means:
1. a past or present **EMPLOYEE** of, or applicant for employment with, any **FIRM**; or
  2. a governmental entity or agency, including the Equal Employment Opportunity Commission or similar federal, state, local or foreign agency, when acting on behalf of, or for the benefit of, a past or present **EMPLOYEE** or applicant for employment with any **FIRM**.
- D. **CLEANUP COSTS** means any expenses, including but not limited to legal and professional fees and expenses, incurred in testing for, monitoring, reporting, mitigating, cleaning up, removing, containing, treating, neutralizing, detoxifying or assessing the effects of **POLLUTANTS**.
- E. **COSTS OF DEFENSE** means reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond) resulting solely from the investigation, adjustment, defense and appeal of a covered **CLAIM** against the **INSURED**s; provided, however, **COSTS OF DEFENSE** shall not include: salaries, wages, overhead or benefit expenses associated with any **INSURED**, or any amount covered by the duty to defend obligation of any other insurer.
- F. **DAMAGES** means:
1. a monetary judgment, award or settlement, including front pay, back pay, emotional distress, or attorney's fees (where recoverable by statute); or
  2. pre-judgment interest and post-judgment interest on any covered judgment, award or settlement.
  3. **DAMAGES** shall not include:
    - a. taxes (provided, however, that the **INSURER** will reimburse the **FIRM** for any employer share of payroll taxes on any portion of **DAMAGES** or settlements which constitute back pay otherwise considered **DAMAGES**), civil or criminal fines, sanctions, or penalties imposed by law; or
    - b. payment of insurance, disability, pension, health or other plan benefits claimed by or on behalf of any former or current **EMPLOYEE**, or that an **EMPLOYEE** would have been entitled to as an **EMPLOYEE** had a **FIRM** provided the **EMPLOYEE** with a continuation of insurance; or
    - c. costs incurred by any **INSURED**:
      - i. to make any building or property more accessible or accommodating to any person with a disability or any other status protected by any federal, state, local or common law; or
      - ii. costs incurred by any **INSURED** to make any building or property compliant with any federal, state or local directives relating to the health and safety of any person; or
      - iii. costs associated with providing any physical accommodation for **EMPLOYEES**, customers, clients or business invitees under any applicable federal, state, or statutory law or common law anywhere in the world, including the Americans with Disabilities Act, the Civil Rights Act of 1964, or any amendments to or rules or regulations promulgated thereunder; or
      - iv. costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar;
    - d. commissions, bonuses, distributions to partners or shareholders, profit sharing, severance payments, unpaid wages, or amounts due pursuant to any federal, state, local or foreign wage and hour laws whether statutory or common law, including without limitation, the Fair Labor Standards Act or the Families First Coronavirus Response Act; including any amendments thereto; or any similar provisions of any federal, state, local or foreign statutory or common law, and/or any payroll policies, practices and procedures, including the reimbursement of claimed business expenses; or
    - e. future wages or benefits of any reinstated **EMPLOYEE** or wages or benefits associated with the continued employment of an **EMPLOYEE**; or
    - f. any actual or potential ownership, partnership or membership interest in the **FIRM**; or the value of any such ownership, partnership or membership interest, including but not limited to, stock and/or stock options; or amounts to be distributed among partners or shareholders; or
    - g. any amounts for which an **INSURED** is not legally liable; or
    - h. cost of compliance with any order for, grant of, or agreement to provide non-monetary relief, including injunctive relief; or

- i. **CLEANUP COSTS**; or
- j. amount incurred by an **INSURED** in the defense or investigation of any action, proceeding or demand that was not then a **CLAIM** even if (a) such amount also benefits the defense of a covered **CLAIM**; or (b) such action, proceeding, investigation or demand subsequently gives rise to a **CLAIM**; or
- k. matters which are uninsurable under the law pursuant to which this Policy is construed.

**G. EMPLOYEE** means:

1. any individual whose labor or service is engaged by and directed by the **FIRM**, including part-time, seasonal and temporary individuals and any individual employed in a supervisory or managerial position;
2. any partner, principal, director, or officer of the **FIRM**;
3. any volunteer working for the **FIRM**, but solely for conduct within the scope of his or her duties as a volunteer for the **FIRM**;
4. any independent contractor working solely for the **FIRM**, but solely for conduct within the scope of his or her duties as an independent contractor for the **FIRM**;
5. any leased **EMPLOYEE** working solely for the **FIRM**, but solely for conduct within the scope of his or her duties as a leased **EMPLOYEE** for the **FIRM**; and
6. for any **WAGE AND HOUR CLAIM**, **EMPLOYEE** shall not include equity partners or shareholders, owners, Limited Liability Company members, volunteers, interns or independent contractors.

**H. EMPLOYMENT CLAIM** means:

1. a written demand for monetary or non-monetary relief, including but not limited to, any demand for mediation, arbitration or any other alternative dispute resolution process, brought by or on behalf of a **CLAIMANT**, arising from a **WRONGFUL EMPLOYMENT ACT**; or
2. a civil, administrative, regulatory or arbitration proceeding or investigation, brought by or on behalf of a **CLAIMANT**, arising from a **WRONGFUL EMPLOYMENT ACT**; or
3. a written request made by a **CLAIMANT** to an **INSURED** to toll or waive the statute of limitations for any **WRONGFUL EMPLOYMENT ACT**.
4. **EMPLOYMENT CLAIM** shall not include any grievance or arbitration based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving a collective bargaining agreement.

**I. EXTENDED REPORTING PERIOD** means the period of time after the end of the **POLICY PERIOD** for reporting **CLAIMS** that are first made against the **INSUREDS** during such period of time, but only with respect to any **WRONGFUL ACT** fully occurring prior to the end of the **POLICY PERIOD** and otherwise covered by this Policy.

**J. FIRM** means the organization(s) engaged in the practice of law and designated as the **Named Insured** in Item 1. of the Declarations, whether as a partnership, professional corporation or association or otherwise, and also will include any **PREDECESSOR FIRM** as set forth in Item 1. of the Declarations.

**K. HARASSMENT** means unwelcome sexual or non-sexual advances, requests for sexual or non-sexual favors or other verbal, visual or physical conduct of a sexual or non-sexual nature that:

1. are explicitly or implicitly made a condition of employment; or
2. are used as a basis for employment decisions; or
3. create a work environment that interferes with performance.

**L. INSURED** means the **FIRM**, any **PREDECESSOR FIRM** and each natural person who was, is or becomes:

1. a partner, a principal, a director, or officer of the **FIRM**;
2. a full-time or part-time salaried **EMPLOYEE** of the **FIRM** or of an incorporated partner of the **FIRM**; or
3. "counsel" or "of counsel" to the **FIRM**, solely if the **FIRM** provides indemnification to such individual in the same manner as that provided to the **EMPLOYEES**;

solely with respect to conduct or actions within the scope of their employment at the **FIRM**.

**M. INSURER** means the entity issuing this Policy as listed on the Declarations.

**N. LOSS** means **DAMAGES** and **COSTS OF DEFENSE**. **LOSS** does not include **CLEANUP COSTS**.

**O. NAMED INSURED** means the **FIRM** designated in Item 1. of the Declarations.

**P. PARTNERSHIP AGREEMENT** means any written agreement, contract or bylaws relating to the terms, benefits or conditions governing the relationship among the current and former partners, principals or shareholders of the **FIRM** and between the current and former partners, principals or shareholders of the **FIRM** and the **FIRM**.

- Q. **PARTNERSHIP AGREEMENT DISPUTE** means any **CLAIM** made against the **FIRM** brought by or on behalf of, or in the name or right of, or for the benefit of any partner, principal, director, officer or shareholder of the **FIRM** arising out of a **PARTNERSHIP AGREEMENT**.
- R. **POLICY PERIOD** means the period of time 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.
- S. **POLLUTANTS** means any seepage, pollution or contamination of any kind, including but not limited to any solid, liquid, microscopic irritant or contaminant, radioactive or nuclear material or waste, gaseous or thermal irritant or contaminant of any kind, including smoke, vapor, soot fumes, acids, alkalis, bacteria or virus, chemicals, waste, and materials to be recycled, reconditioned or reclaimed.
- T. **PREDECESSOR FIRM** means any corporation, individual, limited liability corporation, limited liability partnership, partnership, or professional association to whose financial assets and liabilities the **NAMED INSURED** is the majority successor in interest. **PREDECESSOR FIRM** does not include any corporation, individual, limited liability corporation, limited liability partnership, partnership, or professional association to whose financial assets and liabilities the **NAMED INSURED** becomes the majority successor in interest during the **POLICY PERIOD** unless the **Insurer**, in its sole discretion, and the **NAMED INSURED** agree to include such corporation, individual, limited liability corporation, limited liability partnership, partnership, or professional association as a **PREDECESSOR FIRM**. The **NAMED INSURED** shall accept any premium adjustment or coverage revisions which the **INSURER** may require.
- U. **PRIOR AND PENDING LITIGATION DATE** means the date set forth in Item 6. of the Declarations.
- V. **RELATED WRONGFUL ACTS** means **WRONGFUL ACTS** which are the same as, related or continuous or that are logically or causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.
- W. **RETALIATION** means any actual or alleged retaliatory act of an **INSURED** alleged to be in response to the actual or attempted exercise by an **EMPLOYEE** or applicant for employment with the **FIRM**, of any right that such **EMPLOYEE** or applicant has under law, including without limitation, any of the following activities: (1) the disclosure or threat of disclosure by an **EMPLOYEE** to a superior or to any governmental agency of any act by an **INSURED** which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder; or (2) the exercise of rights under workers' compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to **EMPLOYEE** rights; or (3) the filing of any **CLAIM** under the Federal False Claims Act or any other federal, state, local or foreign "whistle-blower" law; or (4) strikes of an **EMPLOYEE** or applicant, or any legally-protected work stoppage or slowdown; or (5) assisting, cooperating or testifying in any proceeding or investigation into whether an **INSURED** violated any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder.
- X. **THIRD PARTY CLAIM** means:
1. a written demand for monetary or non-monetary relief, including but not limited to, any demand for mediation, arbitration or any other alternative dispute resolution process, arising from a **THIRD PARTY WRONGFUL ACT**, which is solely brought and maintained by or on behalf of a **THIRD PARTY CLAIMANT** against an **INSURED**; or
  2. a civil proceeding which is: (a) brought against an **INSURED**; and (b) arising from a **THIRD PARTY WRONGFUL ACT**; and (c) which is solely brought and maintained by or on behalf of a **THIRD PARTY CLAIMANT** against whom a **THIRD PARTY WRONGFUL ACT** is alleged to have been committed; or
  3. a written request made by or on behalf of a **THIRD PARTY CLAIMANT** to an **INSURED** to toll or waive the statute of limitations for any **THIRD PARTY WRONGFUL ACT**.
- Y. **THIRD PARTY CLAIMANT** means any natural person(s) who is a customer, vendor, service provider or other business invitee of any **FIRM**, other than an **EMPLOYEE** or applicant for employment with any **FIRM**.

- Z. **THIRD PARTY WRONGFUL ACT** means any actual or alleged:
1. discrimination prohibited by applicable law; or
  2. harassment on the basis of race, color, religion, age, gender, disability, pregnancy, national origin, sexual orientation, gender identity or expression, or marital status; or
  3. harassment in the form of unwelcome sexual advances, requests for sexual favors or other verbal, visual or physical conduct of a sexual nature;
- committed by an **INSURED**.
- AA. **WAGE AND HOUR CLAIM** means:
1. a written demand for monetary or non-monetary relief which is brought and maintained by an **EMPLOYEE** against an **INSURED**, arising from a **WAGE AND HOUR WRONGFUL ACT**; or
  2. an administrative or regulatory investigation or proceeding commenced by or before a federal, state, local or foreign agency which is brought and maintained by an **EMPLOYEE** against an **INSURED**, arising from a **WAGE AND HOUR WRONGFUL ACT**;
- provided, however, the term **WAGE AND HOUR CLAIM** shall not include any grievance or arbitration based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving a collective bargaining agreement.
- BB. **WAGE AND HOUR WRONGFUL ACT** means any actual or alleged violation by the **INSURED** of any federal, state, local, or foreign wage and hour laws whether statutory or common law, including without limitation, the Fair Labor Standards Act or the Families First Coronavirus Response Act; including any amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law, arising from an actual employment relationship with an **EMPLOYEE**.
- CC. **WRONGFUL ACT** means any: **WRONGFUL EMPLOYMENT ACT**; **THIRD PARTY WRONGFUL ACT**; **PARTNERSHIP AGREEMENT DISPUTE**; or **WAGE AND HOUR WRONGFUL ACT**.
- DD. **WRONGFUL EMPLOYMENT ACT** means any actual or alleged:
1. wrongful dismissal, discharge or termination of employment (either actual or constructive), including breach of an implied agreement to employ; or
  2. **HARASSMENT**; or
  3. harassment on the basis of race, color, religion, age, gender, disability, pregnancy, national origin, sexual orientation, gender identity or expression, or marital status; or
  4. discrimination (including but not limited to, discrimination based upon age, gender, gender identity or expression, race, color, national origin, religion, sexual orientation or preference, genetic information, pregnancy, marital status, military status, disability or any other basis prohibited by law); or
  5. **RETALIATION**; or
  6. employment-related misrepresentation; or
  7. employment-related: libel, slander, infliction of emotional distress or mental anguish, humiliation, defamation, or invasion of privacy; or
  8. false arrest or false imprisonment; or
  9. wrongful failure to employ or promote; or
  10. wrongful deprivation of career opportunity, failure or refusal to promote, failure or refusal to offer a partnership or shareholder interest to, or to name as a partner or shareholder, any **EMPLOYEE** at the **FIRM** which is in violation of law or is against public policy, or is in breach of an implied agreement to continue employment, including the giving of negative or defamatory statements in connection with an **EMPLOYEE** reference; or
  11. wrongful discipline; or
  12. failure to grant tenure; or
  13. negligent hiring, retention, training or supervision, violation of an individual's civil rights; or failure to provide or enforce adequate or consistent written employment-related corporate policies and procedures when actually or allegedly occurring in conjunction with the above subsections 1. through 12. of this definition; and
- committed by an **INSURED**.

#### IV. EXCLUSIONS

The **INSURER** shall not be liable to make any payment for **LOSS** in connection with a **CLAIM** made against any **INSURED**:

- A. based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving:
  - 1. any actual or alleged or threatened discharge, release, escape, seepage, migration or dispersal of any **POLLUTANTS**; provided, however, this exclusion shall not apply to any **CLAIM** brought derivatively by any security holder of the **FIRM**, provided that such **CLAIM** is instigated and continued totally independent of and totally without the solicitation, assistance or participation of any **INSURED** or the **FIRM**, or any entity under common control with the **FIRM**; or
  - 2. any request, demand, order, direction, or statutory or regulatory requirement that any **INSURED** test for, monitor, remove, contain, treat, detoxify, neutralize, clean up, or in any way respond to or assess the effects of such **POLLUTANTS**;
- B. based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving:
  - 1. any **WRONGFUL ACT** alleged in any **CLAIM** which has been reported, or in any circumstance of which notice has been given, prior to the **POLICY PERIOD** under any other policy, or
  - 2. any other **WRONGFUL ACT** whenever occurring, which together with a **WRONGFUL ACT** which has been the subject of such **CLAIM** or notice, would constitute **RELATED WRONGFUL ACT**;
- C. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
  - 1. damage to or destruction of any tangible property, including the loss of use thereof; or
  - 2. bodily injury, sickness, disease, death; or assault or battery of any person;
- D. for any actual or alleged violation of the Employee Retirement Income Security Act of 1974, including amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law;
- E. by or on behalf of, or in the name or right of, or for the benefit of any partner, principal, director, officer, or shareholder of the **FIRM** arising out of a **PARTNERSHIP AGREEMENT**, allocation of shares or ownership interests in the **FIRM**, distribution of profits or capital, or any other similar financial relationship among **INSURED**s; provided, however, this exclusion shall not apply to **COSTS OF DEFENSE** for **CLAIMS** made against the **FIRM** and brought by or on behalf of, or in the name or right of, or for the benefit of any partner, principal, director, officer or shareholder of the **FIRM** involving:
  - 1. compensation, allocation of shares or ownership interests in the **FIRM** or distribution of profits or capital; or
  - 2. a **PARTNERSHIP AGREEMENT**;
- F. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged breach of any oral or written contract or agreement, or for any amounts owed pursuant to an oral or written contract or agreement; whether brought as breach of contract, misrepresentation or otherwise;
- G. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
  - 1. any prior or pending civil, criminal, administrative, regulatory or arbitration proceeding or investigation as of the **PRIOR AND PENDING LITIGATION DATE**; or
  - 2. any fact, circumstance, situation, transaction or event underlying or alleged in such proceeding or investigation;regardless of the legal theory upon which such **CLAIM** is predicated; provided, however, solely for the purpose of this exclusion, filing for unemployment benefits does not constitute an administrative proceeding;
- H. based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving any actual or alleged violation of the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, the National Labor Relations Act or the Health Insurance Portability and Accountability Act of 1996; including amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law; provided, however, this exclusion shall not apply to any **CLAIM** for any actual or alleged retaliatory treatment of the **EMPLOYEE** by the **INSURED** on account of the **EMPLOYEE'S** exercise of rights pursuant to any such law;

- I. based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving any actual or alleged obligations under any workers' compensation (including, but not limited to, any federal, state, local, foreign, maritime, or common law related to compensation for injured workers on land, at sea, or anywhere in the world), social security, disability benefits, or unemployment compensation law; including amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law; provided, however, this exclusion shall not apply to any **CLAIM** for any actual or alleged retaliatory treatment of the **EMPLOYEE** by the **INSURED** on account of the **EMPLOYEE'S** exercise of rights pursuant to any such law;
- J. based upon, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving any actual or alleged violations of any federal, state, local or foreign laws regulating wage and hour practices such as unpaid wages, unreimbursed expenses, improper payroll deductions, improper employee classification, failure to maintain or provide accurate time records, failure to grant meal and rest periods, whether statutory or common law, including without limitation, the Fair Labor Standards Act or the Families First Coronavirus Response Act; including any amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law; provided, however, this exclusion shall not apply to:
  - 1. any **CLAIM** for any actual or alleged retaliatory treatment of the **EMPLOYEE** by the **INSURED** on account of the **EMPLOYEE'S** exercise of rights pursuant to any such law or amounts owed under the Equal Pay Act of 1963; and
  - 2. **COSTS OF DEFENSE** arising from a **WAGE AND HOUR CLAIM**;
- K. by any person or entity arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty by any **INSURED** under this Policy in connection with the rendering of, or actual or alleged failure to render, services to others as an attorney or a notary public or as an administrator, conservator, executor, guardian or committee or in any similar fiduciary capacity incidental to the practice of law.

## V. LIMITS OF LIABILITY AND DEDUCTIBLES

---

### A. LIMITS OF LIABILITY

- 1. In no event shall the **INSURER** be liable to make any payment for **LOSS** in excess of the aggregate Limit of Liability stated in Item 3. A. of the Declarations or any applicable sublimit stated in this Policy, with respect to all covered **CLAIMS**.
- 2. The Limit of Liability for any **EXTENDED REPORTING PERIOD** shall be part of, and not in addition to, the aggregate Limit of Liability stated in Item 3. A. of the Declarations or any applicable sublimit stated in this Policy.
- 3. Unless otherwise stated, all Limits of Liability for this Policy, including any sublimit(s), will apply in the aggregate to all covered **CLAIMS**.

### B. EXHAUSTION OF LIMIT OF LIABILITY

In the event the aggregate Limit of Liability stated in Item 3. A. of the Declarations or any applicable sublimit stated in Item 3. B. C. or D. of the Declarations or by endorsement to this Policy, is exhausted by payment of **COSTS OF DEFENSE** and/or **DAMAGES**, or has been offered or tendered to, or on behalf of, the **INSURED**, or to a court of competent jurisdiction, then any and all obligations of the **INSURER** hereunder shall be deemed to be completely fulfilled and extinguished.

### C. COSTS OF DEFENSE

**COSTS OF DEFENSE** are not payable by the **INSURER** in addition to any applicable Limit of Liability. **COSTS OF DEFENSE** are part of **LOSS** and as such are subject to the applicable Limit of Liability for **LOSS**.

### D. DEDUCTIBLES

1. The **INSURER** shall only be liable for the amount of **COSTS OF DEFENSE** and **DAMAGES** arising from a **CLAIM** which is in excess of the applicable Deductible amount stated in Item 4. of the Declarations. Such Deductible amount shall be borne by the **NAMED INSURED** and shall apply to each and every **CLAIM**. If the **NAMED INSURED** fails to pay the Deductible, then all **NAMED INSURED**s shall be jointly and severally obligated to pay the Deductible.
2. If the **INSURER** advances any **LOSS** within the Deductible, the **NAMED INSURED** shall, upon written demand, reimburse the **INSURER** for such amounts within thirty (30) days. Any funds so advanced by the **INSURER**, at its option, shall serve to reduce the Limit of Liability to the extent that they are not repaid to the **INSURER**. If the **INSURER** brings suit to collect the Deductible, then any **INSURED** responsible to pay the Deductible also shall pay the legal fees, costs and expenses incurred by the **INSURER** to collect the Deductible.

## VI. DEFENSE, COOPERATION AND SETTLEMENT

---

### A. CONSENT

No **INSURED** shall admit or assume liability, enter into any settlement agreement, make any offer of settlement or compromise, stipulate to any judgment, agree to arbitration, or incur **COSTS OF DEFENSE** without the **INSURER**'s prior written consent. The **INSURER**'s consent shall not be unreasonably withheld, provided that the **INSURER** shall be entitled to full information and all particulars it may request in order to reach a decision regarding such consent. Any **LOSS** incurred or settlements agreed to prior to the **INSURER** giving its written consent shall not be covered hereunder.

### B. DEFENSE OF CLAIMS

1. The **INSURER** shall have the right and the duty to defend any **CLAIM** covered by this Policy. The **INSURER** shall have the right to select defense counsel. The **INSURER** has no obligation to provide **COSTS OF DEFENSE** for any **CLAIM** not covered by this Policy. To the extent one or more **INSURED** requests independent counsel and the **INSURER** consents subject to the **INSURER**'s sole and complete discretion, or such **INSURED** is entitled to independent counsel pursuant to the applicable law, such counsel shall be: (a) subject to the **INSURER**'s prior written consent, such consent shall not be unreasonably withheld; (b) limited to hourly rates paid by the **INSURER** for the defense of similar **CLAIM**s in the community where the **CLAIM** is filed; and (c) subject to the **INSURER**'s litigation guidelines as provided by the **INSURER**, if permitted in the state where the **CLAIM** is filed.
2. The **INSURER** has no obligation to pay any amounts incurred by any **INSURED** in any way involving the interpretation or applicability of the terms and conditions of this Policy or any other policy issued by the **INSURER**.
3. The **INSURER** has no obligation to pay any amounts incurred by any **INSURED** in any way involving the prosecution of any **CLAIM(S)** for affirmative relief by or on behalf of any **INSURED**.

### C. COOPERATION

Each **INSURED** shall cooperate with the **INSURER** in the investigation, defense and settlement of any **CLAIM**, and in enforcing any right of contribution or indemnity against any person or organization that may be liable to the **INSURED**, at no cost to the **INSURER**. Upon the request of the **INSURER**, the **INSURED** shall submit to examination and interrogation, under oath if required by a representative of the **INSURER**, and shall attend hearings, depositions and trials, assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, as well as giving written statements to the **INSURER**'s representatives, and meeting with such representatives for purposes of investigation or defense, all without charge to the **INSURER**.

### D. EXHAUSTION OF LIMIT OF LIABILITY

The **INSURER**'s right and duty to defend any **CLAIM** shall end when the applicable Limit of Liability stated in Item 3. of the Declarations, or any applicable sublimit stated in this Policy, has been exhausted by the payment of **LOSS**, or has been offered or tendered to, or on behalf of, the **INSURED** or to a court of competent jurisdiction.

**E. SETTLEMENTS**

The **INSURER** shall not settle any **CLAIM** without the **NAMED INSURED'S** consent. If, however, the **NAMED INSURED** shall refuse to consent to any settlement recommended by the **INSURER**, which is acceptable to the **CLAIMANT**, and shall elect to contest the **CLAIM**, then the **INSURER'S** liability for the **CLAIM** shall not exceed the amount for which the **CLAIM** could have been settled, including **COSTS OF DEFENSE** incurred up to the date of such refusal. From the date of the **INSURED'S** refusal to settle, it is a condition of this insurance that the remaining **LOSS** shall be borne by the **INSUREDS** at their own risk. In the event that the **NAMED INSURED** refuses to consent to any settlement as set forth in this section, the **INSURER'S** right and duty to defend such **CLAIM** shall end upon the date of such refusal.

**VII. NOTICE OF CLAIM**

---

**A. NOTICE OF CLAIM**

As a condition precedent to their rights under this Policy, any **INSURED** shall give the **INSURER** written notice of a **CLAIM** first made against the **INSUREDS** during the **POLICY PERIOD**, as soon as practicable, but in no event later than sixty (60) days after the expiration of the **POLICY PERIOD**.

**B. NOTICE OF CIRCUMSTANCE**

As a condition precedent to their rights under this Policy, if during the **POLICY PERIOD** or the **EXTENDED REPORTING PERIOD** that may apply, any **INSURED** becomes aware of any fact, circumstance or situation which may reasonably be expected to give rise to a **CLAIM** being made against any **INSURED** and shall give written notice to the **INSURER**, as soon as practicable (but prior to the expiration of or cancellation of this Policy), of:

1. the specific fact, circumstance or situation, with full details as to dates, persons, and entities involved; and
2. the injury or **DAMAGES** which may result therefrom; and
3. the circumstances by which the **INSURED** first became aware thereof;

then any **CLAIM** subsequently made arising out of such fact, circumstance or situation shall be deemed to have been made when notice was first given to the **INSURER**.

**C. RELATED WRONGFUL ACTS**

All **CLAIMS** based upon or arising out of the same **WRONGFUL ACT** or any **RELATED WRONGFUL ACTS**, or one or more in a series of any similar, repeated or continuous **WRONGFUL ACTS** or **RELATED WRONGFUL ACTS**, shall be considered a single **CLAIM**. Each **CLAIM** shall be deemed to be first made at the earliest of the following times:

1. when the earliest **CLAIM** arising out of such **WRONGFUL ACTS** or **RELATED WRONGFUL ACTS** was first made; or
2. when notice pursuant to section VII. B. above of a fact, circumstance or situation giving rise to such **CLAIM** is given;

whether before or during the **POLICY PERIOD**.

**D. INFORMATION AND COOPERATION**

In addition to furnishing the notice as provided in sections VII. A. and VII. B. above, the **INSUREDS** shall give the **INSURER** such information and cooperation as it may reasonably require and shall, as soon as practicable, furnish the **INSURER** with copies of documents, reports, investigations, pleadings and other papers in connection therewith, all without charge to the **INSURER**.

**VIII. GENERAL CONDITIONS**

---

**A. CANCELLATION OF POLICY**

1. This Policy may be cancelled by the **NAMED INSURED** by surrender thereof to the **INSURER** or by mailing to the **INSURER** written notice stating when thereafter the cancellation shall be effective.
2. This Policy may be cancelled by the **INSURER** by mailing written notice of cancellation to the **NAMED INSURED** at the address shown in the Declarations stating when, but not less than twenty (20) days thereafter, such cancellation shall be effective.
3. The **INSURER** will not be required to renew this Policy upon its expiration. If the **INSURER** elects not to renew this Policy, the **INSURER** will deliver or mail to the **FIRM** written notice to that effect at least sixty (60) days before the end of the **POLICY PERIOD** set forth in Item 2. of the Declarations.

4. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **POLICY PERIOD**. Delivery (where permitted by law) of such written notice either by the **NAMED INSURED** or by the **INSURER** shall be equivalent to mailing.
5. If the **NAMED INSURED** cancels this Policy, earned premium shall be computed in accordance with customary short rate procedures. If the **INSURER** cancels this Policy, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

### B. APPLICATION

By acceptance of this Policy the **INSURED** agrees that:

1. all of the information and statements provided to the **INSURER** by the **INSURED** are true, accurate and complete and shall be deemed to constitute material representations made by all of the **INSUREDS**; and
2. this Policy is issued in reliance upon the **INSURED'S** representations; and
3. this Policy, endorsements thereto, together with the completed and signed application and any and all supplementary information and statements provided by the **INSURED** to the **INSURER** (all of which are deemed to be incorporated herein) embody all of the agreements existing between the **INSURED** and the **INSURER** and shall constitute the entire contract between the **INSURED** and the **INSURER**; and
4. any material misrepresentation or fraud made by any **INSURED** in applying for this Policy or in pursuing a **CLAIM** under this Policy shall be deemed grounds for denial of coverage or cancellation of this Policy.

### C. ACTION AGAINST THE INSURER

No action shall lie against the **INSURER** unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, and the amount of the **INSUREDS'** obligation to pay shall have been finally determined either by judgment against the **INSUREDS** after actual trial or by written agreement of the **INSUREDS**, the **CLAIMANT** and the **INSURER**.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or organization shall have any right under this Policy to join the **INSURER** as party to any action against the **INSUREDS** to determine the **INSUREDS'** liability, nor shall the **INSURER** be impleaded by the **INSUREDS** or their legal representatives.

### D. CHANGES IN EXPOSURE

If during the **POLICY PERIOD** there is a fifty (50) percent or greater change in the **NAMED INSURED'S** total lawyer population, then the **NAMED INSURED** shall give the **INSURER** written notice of such changes as soon as practicable but not later than sixty (60) days after the effective date of such change; provided, however, that this provision shall not apply if the **NAMED INSURED** had less than six (6) lawyers who met the definition of **INSURED** at the Policy inception date. The **NAMED INSURED** shall accept any premium adjustment or coverage revisions which the **INSURER** may require.

### E. SUBROGATION

In the event of any payment under this Policy, the **INSURER** shall be subrogated to the extent of such payment to all the **INSUREDS** rights of recovery thereof, and the **INSUREDS** shall execute all papers required and shall do everything reasonable that may be necessary to secure such rights, including the execution of such documents necessary to enable the **INSURER** to effectively bring suit in the name of the **INSUREDS**.

In no event, however, shall the **INSURER** exercise its rights of subrogation against an **INSURED** under this Policy unless such **INSURED** has been convicted of a criminal act, or been judicially determined to have committed a deliberate fraudulent act, or obtained any profit or advantage to which such **INSURED** was not legally entitled.

Any amount recovered pursuant to the exercise of such rights of subrogation shall be applied in the following order until the amount recovered has been exhausted: (1) the repayment of expenses incurred in the exercising of any rights of subrogation; (2) **LOSS** paid by the **INSUREDS** in excess of the Limit(s) of Liability hereunder; (3) **LOSS** paid by the **INSURER**; (4) **LOSS** paid by the **INSURED** in excess of the Deductible; and (5) repayment of the Deductible.

**F. ASSIGNMENT**

This Policy and any and all rights hereunder are not assignable without the written consent of the **INSURER**.

**G. ENTIRE AGREEMENT**

By acceptance of this Policy, the **INSUREDS** and the **INSURER** agree that this Policy (including the **APPLICATION**) and any written endorsements attached hereto constitute the entire agreement between the parties.

**H. REPRESENTATION BY NAMED INSURED**

It is agreed that the **NAMED INSURED** shall act on behalf of the **INSUREDS** with respect to all matters under this Policy, including but not limited to: the giving and receiving of notices; the payment of premiums and the receiving of any return premiums that may become due under this Policy; the receipt and acceptance of any endorsements issued to form a part of this Policy; the exercising or declining to exercise any right to an **EXTENDED REPORTING PERIOD**; and the providing of releases by any of the **INSUREDS** in any settlement agreement with the **INSURER**.

**I. BANKRUPTCY**

Bankruptcy or insolvency of the **INSUREDS** or of their estates shall not relieve the **INSURER** of any of its obligations hereunder. In the event a liquidation or reorganization proceeding is commenced by or against the **FIRM** pursuant to the United States Bankruptcy Code, including amendments thereto, or any similar state or local law, the **INSUREDS** hereby: (1) waive and release any automatic stay or injunction which may apply in such proceeding to this Policy or its proceeds under such Bankruptcy Code or law; and (2) agree not to oppose or object to any efforts by the **INSURER**, the **FIRM** or any **INSUREDS** to obtain relief from any such stay or injunction.

**J. ALTERNATIVE DISPUTE RESOLUTION PROCESS**

1. It is hereby understood and agreed that all disputes or differences which may arise under, or in connection with, this Policy that cannot be resolved by and between the **INSURER** and any **INSURED**, whether arising before or after termination of this Policy (including but not limited to, the breach, termination or invalidity of this Policy, or any determination of the amount of **LOSS**), must first be submitted to the non-binding mediation process set forth in this section VIII. J. The non-binding mediation will proceed in any manner mutually agreed by and between the **INSURER** and the **INSURED**, in which all implicated **INSUREDS** and the **INSURER** shall try in good faith to settle the dispute by mediation. If the **INSURER** and the **INSURED** cannot agree on the process of the mediation, it shall proceed in accordance with the American Arbitration Association's ("AAA") then-prevailing Commercial Mediation Rules. The parties shall mutually agree on the selection of a mediator versed in the legal and/or insurance issues relevant to the matter(s) in dispute.
2. In the event that such non-binding mediation does not result in a settlement of the subject dispute, either party shall have the right, with all other parties' consent, to commence an arbitration proceeding with the AAA that will be submitted to an arbitration panel of three arbitrators selected as follows: (i) the **INSURED** will select one arbitrator; (ii) the **INSURER** will select one arbitrator; and (iii) said arbitrators shall mutually agree upon the selection of the third arbitrator. The arbitration shall be conducted in accordance with the AAA's then-prevailing Commercial Arbitration Rules. In the event of arbitration, the decision of the arbitrators shall be final and binding to both parties, and the award of the arbitrators shall not include attorneys' fees or other costs.
3. Notwithstanding the foregoing, no arbitration proceeding shall be commenced until at least ninety (90) days after the date of the non-binding mediation shall be deemed concluded or terminated by the mediator. Each party shall share equally the expenses of the non-binding mediation and arbitration.
4. The non-binding mediation may be commenced in Chicago, Illinois, or in the state indicated in Item 1. of the Declarations as the mailing address for the **NAMED INSURED**.

**K. OTHER INSURANCE**

1. an **EMPLOYMENT CLAIM** shall be primary to any other valid and collectible insurance policy, provided that with respect to that portion of an **EMPLOYMENT CLAIM** made against any leased or temporary **EMPLOYEE** or independent contractor, **LOSS** payable on behalf of such leased or temporary **EMPLOYEE** or independent contractor under this coverage section shall be excess of, and shall not contribute with, any other valid and collectible policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section), regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise; and
2. any **THIRD PARTY CLAIMS, PARTNERSHIP AGREEMENT DISPUTE CLAIM** and/or **WAGE AND HOUR CLAIM** shall be excess of, and shall not contribute with, any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this coverage section); regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

**L. TRADE AND ECONOMIC SANCTIONS**

In accordance with the Office of Foreign Assets Control (OFAC) regulations, if it is determined that any **Insured**, or any person or entity claiming the benefits of this Policy, has violated US Sanctions Law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be a blocked or frozen contract, no payments or premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.