

Enclosed you will find **an admitted** Employment Practices Liability quote for Jay's International Corp dba Diamonds by Raymond Lee. The quote number is EPL020D2755 Version 4 .

- Section I-** Details the premiums, taxes and fees associated with this account. In addition, it provides the Underwriting Notes and covers any of the additional underwriting information that might be needed prior to binding or within 21 days of the inception date.
- Section II-** Lists the required coverage forms, notices, endorsements and exclusions.
- Section III-** Provides the Direct Bill Payment Description.

In addition we have included some materials that will assist in the evaluation of this offer of coverage.

- A pre-filled application that includes the information you have already provided.
- Endorsement EPL Employment Practices Liability Application - All States for your review.
- Endorsement EPL-J Employment Practices Liability Insurance Policy for your review.
- Endorsement EPL-FL ADDN Florida Addendum to Application for your review.
- A Point of Sale piece that provides some claims scenarios this account may encounter and a coverage checklist that can be compared to the quotation of another carrier.
- Endorsement Jacket FL Policy Jacket for your review.
- Endorsement EPL-169 Amended Notice/Claim And Circumstance Reporting Provisions for your review.
- Endorsement EPL-167 Amended Definition Of Loss Endorsement for your review.
- Endorsement EPL-FL Florida State Amendatory Endorsement for your review.
- Endorsement EPL-108 Expanded Definition Of Organization Endorsement for your review.
- Endorsement EPL-106 Known Circumstance Revealed In Application Exclusion Endorsement for your review.
- Endorsement EPL-144 Third Party Coverage Endorsement for your review.
- Endorsement EPL-133 Defense Costs Within Limits Of Liability Endorsement for your review.
- Endorsement EPL-120 Downsizing/Reorganization Exclusion Endorsement for your review.

The carrier will send the insured an invoice based on the terms reflected in this quote.
Payment is due to the carrier.

Payment options available to you are:

1. Send the invoice remittance slip with payment to the lockbox address on their invoice
2. Pay online at www.usli.com/ezpay.
3. Pay by phone (automated system available 24/7) at 866-632-2003

The policyholder can register their policy at www.usli.com/ezpay. By registering their policy, the insured will have access to additional information as well as the option to set-up recurring payments. Recurring payments are a great way to minimize



the possibility of the insureds policy being cancelled or not renewed because payment was not received.

We invite you to contact us to discuss the benefits of any coverages, the costs associated or simply to provide feedback! We welcome the opportunity to talk with you about this quote.

Thank you for the opportunity to quote this account!

Sincerely,
Jessica Dominguez
MONARCH E&S INSURANCE SERVICES
(305) 398-4868

EPL020D2755 Version 4

Quote is valid until 2/16/2021

Re: **Jay's International Corp dba Diamonds by Raymond Lee**

To:

Attn: Commission: _____%

From: Jessica Dominguez

jessicad@monarchexcess.com / (305) 398-4868

Please bind effective: _____
Insured email address: _____
Insured phone number: _____

This policy is eligible to be Direct Billed.
Note: a \$4.00 installment fee will apply to each installment after the first - please select one of the following:

- Direct Bill both this New Business and future Renewals**
(If checked - Select a Payment Plan):
- SINGLE PAYMENT
 TWO PAYMENTS - Premium must be over \$400
 THREE PAYMENTS - Premium must be over \$675
 FOUR PAYMENTS - Premium must be over \$1,000

See the last page of this quote for Payment Plan Descriptions

- Do not Direct Bill this New Business but do Direct Bill future Renewals**
 Do not Direct Bill this policy

NOTE: If the Direct Bill Option is selected, the Company will invoice the insured. Do not bill or collect the down payment. All taxes, surcharges and fees (except installment fees) will be billed in full with the first installment.

I. PREMIUM AND UNDERWRITING NOTES/REQUIREMENTS

EMPLOYMENT PRACTICES LIABILITY POLICY INFORMATION

Carrier:	United States Liability Insurance Company		
Status:	Admitted		
A.M. Best Rating:	A++ (Superior) - XII		

LIMIT OPTIONS	\$2,500 RETENTION	\$5,000 RETENTION	\$10,000 RETENTION
<input type="checkbox"/> \$250,000	\$1,551	\$1,436	\$1,319

ADDITIONAL QUOTE INFORMATION

Retroactive date: Full Prior Acts
Third Party and Punitive Damages Coverages are included in the premium.

FREE AND DISCOUNTED BUSINESS SERVICES AVAILABLE TO USLI INSUREDS – VISIT BIZRESOURCECENTER.COM FOR DETAILS

This account is subject to the following - Sections A, B and C:

Please note that we will not be able to bind coverage until we satisfy all Prior to Binding requirements.

A. Prior To Bind Requirements:

- Underwriter receipt, review and acceptance of the fully completed USLI Employment Practices Liability Application dated no more

Please contact us with any questions regarding the terminology used or the coverages provided.

****Read the quote carefully, it may not match the coverages requested****

than 45 days prior to the effective date of coverage and signed by one of the following as applicable: officer, member of the board of directors, managing member, executive director, owner, partner or principal with authority to bind Applicant to the representations therein. We may modify the terms and/or premiums quoted or rescind this quote if the information provided in the completed Application is different from the original submission or there is a significant change in the risk from the date it was quoted.

- ****Based on the expiring limit, \$250,000 is the only limit we are able to offer****

B. Items Required Within 21 days of the inception of coverage:

- No Items Required Within 21 Days

C. Underwriting Notes:

- EPL-108 (09/07) - Expanded Definition Of Organization Endorsement provides coverage for Raymond Lee Jewelers. Inc.
- EPL-108 (09/07) - Expanded Definition Of Organization Endorsement provides coverage for Erintalia, LLC
- EPL-133 Defense Costs Within the Limits of Liability Endorsement will be added if a \$250,000 limit is bound, or the applicant has over 200 Full Time equivalent employees (Part Time/Seasonal = 1/2).
- This quote does not include Fair Labor Standards Act (FLSA)/Wage and Hour coverage.
- In addition we have included some materials that will assist in the evaluation of this offer of coverage.
- Thank you for the opportunity to quote this risk.

II. REQUIRED FORMS & ENDORSEMENTS

Employment Practices Endorsements

EPL	(05/14) Employment Practices Liability Application - All States	EPL-167	(05/09) Amended Definition Of Loss Endorsement
EPL-106	(09/07) Known Circumstance Revealed In Application Exclusion Endorsement	EPL-169	(11/13) Amended Notice/Claim And Circumstance Reporting Provisions
EPL-108	(09/07) Expanded Definition Of Organization Endorsement	EPL-FL	(02/08) Florida State Amendatory Endorsement
EPL-120	(09/07) Downsizing/Reorganization Exclusion Endorsement	EPL-FL ADDN	(09/07) Florida Addendum to Application
EPL-133	(09/07) Defense Costs Within Limits Of Liability Endorsement	EPL-J	(09/07) Employment Practices Liability Insurance Policy
EPL-144	(09/07) Third Party Coverage Endorsement	Jacket FL	(12/19) Policy Jacket

III. DIRECT BILL PAYMENT PLAN DESCRIPTIONS

One Year Payment Plan Descriptions:

- SINGLE PAYMENT** - The entire premium is invoiced immediately and is due 20 days after it is invoiced.
- TWO PAYMENTS** - 50% of the premium is invoiced immediately and is due 20 days after it is invoiced; the balance is invoiced 150 days after inception.
- THREE PAYMENTS** - 40% of the premium is invoiced immediately and is due 20 days after it is invoiced; 30% is invoiced 120 days after inception; the balance is invoiced 210 days after inception.
- FOUR PAYMENTS** - 40% of the premium is invoiced immediately and is due 20 days after it is invoiced; three equal installments of 20% are invoiced at 120 days, 180 days and 240 days after inception.

An installment fee as noted on page 1 of this quote applies to each installment after the first.

Please contact us with any questions regarding the terminology used or the coverages provided.

****Read the quote carefully, it may not match the coverages requested****

Employment Practices Liability Application - All States

THIS COVERAGE IS LIMITED TO CLAIMS FIRST MADE AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD AS STATED IN THE DECLARATIONS OR ANY APPLICABLE EXTENDED REPORTING PERIOD. DEFENSE COSTS SHALL BE APPLIED AGAINST THE RETENTION. PLEASE READ YOUR POLICY CAREFULLY

New York Disclosure Notice: Under EPL 133 NY and EPL162 NY, if made part of your policy, or Section IV Exclusions C, the limits of liability available under this policy may be completely exhausted by the payment of defense costs.
Applicant may qualify for an INSTANT QUOTE by completing Section I below. Section II answers will be required prior to binding and are subject to underwriting approval.

I. INSTANT QUOTE INFORMATION

Instant Quote is not available for accounts with losses in the past 5 years. If there is a loss history, please complete Section I. and submit details in a claim supplement.

Primary Applicant's name (See #4 to add subsidiary[ies]/affiliate[s]): Jay's International Corp dba Diamonds by Raymond Lee

Location Address: _____ Same as mailing address

City: Boca Raton State: FL Zip Code: 33431

Web Address: _____ Email Address of primary contact: _____

Description of Operations

Retail Store – All Other -

Full Time Employees: 12 Part Time: 0 Temporary/Seasonal: 0 Independent Contractors: 0 Leased: 0

How many of the above are located in: California: 0 Florida: 12 Louisiana: 0 Outside the U.S.: 0

II. UNDERWRITING INFORMATION

1. Year established: _____
2. Do more than 50% of all employees currently earn more than \$100,000? Yes No
3. a) Is the applicant a subsidiary of another organization? Yes No
 b) Is the applicant a franchisee of another organization? Yes No
 c) Name of parent and/or franchisor and location _____
4. Does the applicant want any subsidiary(ies)/affiliate(s) covered? If "Yes," include employees in employee count above and provide: Yes No
 a) Name of subsidiary(ies)/affiliate(s): Raymond Lee Jewelers Inc.
 b) Is the subsidiary(ies)/affiliate(s) at least 50% owned by the applicant? Yes No
 c) Does the subsidiary(ies)/affiliate(s) fall within the same class of business as the applicant? Yes No
5. Expiring Policy: Retroactive Date _____ Carrier _____ Limits _____ Retention _____ Premium _____
Written Guideline Requirements:
 a) Does each entity proposed for insurance have a written email/internet policy currently in place or is willing to implement one? Yes No
 b) Does each entity proposed for insurance have a written anti-discrimination and anti-harassment policy currently in place? Yes No
(Attach a statement of details for all "yes" answers to the following questions)
6. a) Has any entity proposed for insurance closed, sold, merged-with or acquired any company in the past 12 months or anticipates doing so in the next 12 months? Yes No
 b) Has any entity proposed for insurance downsized, laid off, or reduced staff in the past 12 months or anticipates doing so in the next 12 months? Yes No
 If "Yes", what percentage of the workforce was/will be affected? _____ 0

7. Within the last 5 years, has any employment related, or third party discrimination, or third party harassment inquiry, complaint, notice of hearing, claim or suit been made against any entity proposed for insurance or any person proposed for insurance in the capacity of either director, officer, member (if an LLC), or employee of any entity proposed for Insurance? Yes No

If "Yes" complete USLI Claim Supplement for each claim

8. Is any person proposed for this insurance aware of any fact, circumstance, or situation which may result in an employment claim, or third party discrimination, or third party harassment claim against any entity proposed for Insurance or any of its directors, officers, members (if an LLC), or employees? Yes No

If "Yes" complete USLI Claim Supplement for each claim

9. Has any policy for employment practices liability insurance ever been cancelled or non-renewed by the carrier? Yes No

(Do not answer if applicant is located in Missouri)

III. ADDITIONAL APPLICANT INFORMATION

Applicant's Mailing Address: _____
City: _____ State: _____ Zip: _____

Florida Fraud Statement: 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.

Florida Notice (Applies only if policy is non-admitted): You are agreeing to place coverage in the surplus lines market. Superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected under the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

Florida & Illinois Notice: I understand that there is no coverage for punitive damages assessed directly against an insured under Florida and Illinois law. However, I also understand that punitive damages that are not assessed directly against an insured, also known as "vicariously assessed punitive damages", are insurable under Florida and Illinois law. Therefore, if any Policy is issued to the Applicant as a result of this Application and such Policy provides coverage for punitive damages, I understand and acknowledge that the coverage for Claims brought in the State of Florida and Illinois is limited to "vicariously assessed punitive damages" and that there is no coverage for directly assessed punitive damages.

If your state requires that we have information regarding your Authorized Retail Agent or Broker, please provide below.

Retail Agency Name: _____ License #: _____
Retail Agency Phone Number: _____
Agency Mailing Address: _____
City: _____ State: _____ Zip: _____

The signer of this application acknowledges and understands that the information provided in this Application is material to the Insurer's decision to provide the requested insurance and is relied on by the Insurer in providing such insurance. The signer of this application represents that the information provided in this Application is true and correct in all matters. The signer of this Application further represents that any changes in matters inquired about in this Application occurring prior to the effective date of coverage, which render the information provided herein untrue, incorrect or inaccurate in any way will be reported to the Insurer immediately in writing. The Insurer reserves the right to modify or withdraw any quote or binder issued if such changes are material to the insurability or premium charged, based on the Insurer's underwriting guides. The Insurer is hereby authorized, but not required, to make any investigation and inquiry in connection with the information, statements and disclosures provided in this Application. The decision of the Insurer not to make or to limit any investigation or inquiry shall not be deemed a waiver of any rights by the Insurer and shall not estop the Insurer from relying on any statement in this Application in the event the Policy is issued. It is agreed that this Application shall be the basis of the contract should a policy be issued and it will be attached and become a part of the Policy.

Applicant's Signature: _____ Title: _____ Date: _____
President, Chairperson of the Board, Managing Member, or Executive Director



CARRIER:

[Empty box for carrier information]

Employment Practices Liability Application – All States

THIS COVERAGE IS LIMITED TO CLAIMS FIRST MADE AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD AS STATED IN THE DECLARATIONS OR ANY APPLICABLE EXTENDED REPORTING PERIOD. DEFENSE COSTS SHALL BE APPLIED AGAINST THE RETENTION. PLEASE READ YOUR POLICY CAREFULLY.

New York Disclosure Notice: Under EPL 133 NY and EPL162 NY, if made part of your policy, or Section IV Exclusions C, the limits of liability available under this policy may be completely exhausted by the payment of defense costs.

Applicant may qualify for an INSTANT QUOTE by completing Section I below. Section II and III answers will be required prior to binding and are subject to underwriting approval.

I. INSTANT QUOTE INFORMATION

Instant quote is not available for accounts with losses in the past five years. If there is a loss history, please complete the application and submit details in a USLI claim supplement.

Primary Applicant's name (See #4 to add subsidiary(ies)/affiliate(s)): _____

Location address: _____ Same as mailing address

City: _____ State: _____ Zip: _____

Web address: _____

Email address of primary contact: _____

Description of Operations:

[Empty box for description of operations]

Full-time employees _____ Part-time _____ Temporary/ Seasonal _____ Independent contractors _____ Leased _____

How many of the above are located in: California _____ Florida _____ Louisiana _____ Outside the U.S. _____

II. UNDERWRITING INFORMATION

- Year established: _____
 - Do more than 50% of all employees currently earn more than \$100,000? Yes No
 - a) Is the applicant a subsidiary of another organization? Yes No
 b) Is the applicant a franchisee of another organization? Yes No
 c) Name of parent and/or franchisor and location _____
 - Does the applicant want any subsidiary(ies)/affiliate(s) covered? If "Yes," include employees in employee count above and provide: Yes No
 a) Name of subsidiary(ies)/affiliate(s) _____
 b) Is the subsidiary(ies)/affiliate(s) at least 50% owned by the applicant? Yes No
 c) Does the subsidiary(ies)/affiliate(s) fall within the same class of business as the applicant? Yes No
 - Expiring policy: Retroactive date _____ Carrier _____ Limits _____ Retention _____ Premium _____
- (Attach a statement of details for all "Yes" answers to the following questions)**
- a) Has any entity proposed for insurance closed, sold, merged with or acquired any company in the past 12 months or anticipates doing so in the next 12 months? Yes No
 b) Has any entity proposed for insurance downsized, laid off or reduced staff in the past 12 months or anticipates doing so in the next 12 months? _____ Yes No
 If "Yes," what percentage of the workforce was/will be affected? _____
 - Within the last five years, has any employment related, third party discrimination, or third party harassment inquiry, complaint, notice of hearing, claim or suit been made against any entity proposed for insurance or any person proposed for insurance in the capacity of either director, officer, member (if an LLC), or employee of any entity proposed for insurance? If "Yes," complete USLI Claim Supplement for each claim Yes No
 - Is any person proposed for this insurance aware of any fact, circumstance, or situation which may result in an employment related, third party discrimination, or third party harassment claim against any entity proposed for insurance or any of its directors, officers, members (if an LLC) or employees?
 If "Yes," complete USLI Claim Supplement for each claim Yes No
 - Has any policy for employment practices liability insurance ever been cancelled or non-renewed by the carrier? (Do not answer if applicant is located in Missouri) Yes No

III. WRITTEN EMPLOYMENT GUIDELINES

- Applicant currently has a written **e-mail/internet** policy in place **OR**
- Applicant agrees to implement a written **email/internet** policy within 60 days of the effective date of coverage **OR**
- Applicant does not have a written **email/internet** policy in place and will not implement such policy.

The written employment policies below are required to obtain coverage with USLI. By checking the boxes below and signing this application, the applicant agrees they either have or will implement and maintain the policies below within sixty (60) days of the effective date of coverage

- Applicant currently has a written **anti-discrimination** policy in place **OR**
- Applicant agrees to implement a written **anti-discrimination** policy within 60 days of the effective date of coverage **OR**
- Applicant does not have a written **anti-discrimination** policy in place and will not implement such policy.

- Applicant currently has a written **anti-harassment** policy in place **OR**
- Applicant agrees to implement a written **anti-harassment** policy within 60 days of the effective date of coverage **OR**
- Applicant does not have a written **anti-harassment** policy in place and will not implement such policy.

IV. ADDITIONAL APPLICANT INFORMATION

Applicant's mailing address: _____

City: _____ State: _____ Zip: _____

FRAUD STATEMENTS

Arizona Notice: Misrepresentations, omissions, concealment of facts and incorrect statements shall prevent recovery under the policy only if the misrepresentations, omissions, concealment of facts or incorrect statements are; fraudulent or material either to the acceptance of the risk, or to the hazard assumed by the insurer or the insurer in good faith would either not have issued the policy, or would not have issued a policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the insurer as required either by the application for the policy or otherwise.

Colorado Fraud Statement: 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.

District of Columbia Fraud Statement: 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.

Florida Fraud Statement: 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.

Florida Notice: (Applies only if policy is non-admitted) You are agreeing to place coverage in the surplus lines market. Superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected under the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

Florida and Illinois Punitive Damages Notice: I understand that there is no coverage for punitive damages assessed directly against an insured under Florida and Illinois law. However, I also understand that punitive damages that are not assessed directly against an insured, also known as "vicariously assessed punitive damages", are insurable under Florida and Illinois law. Therefore, if any Policy is issued to the Applicant as a result of this Application and such Policy provides coverage for punitive damages, I understand and acknowledge that the coverage for Claims brought in the State of Florida and Illinois is limited to "vicariously assessed punitive damages" and that there is no coverage for directly assessed punitive damages.

Kansas Fraud Statement: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto may be guilty of a crime and may be subject to fines and confinement in prison.

Kentucky Fraud Statement: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

Maine Fraud Statement: 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. A binder may not be withdrawn but a prospective notice of cancellation may be sent and coverage denied for fraud or material misrepresentation in obtaining coverage. A policy may not be unilaterally rescinded or voided.

Maine and Washington Fraud Statement: 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. A binder may not be withdrawn but a prospective notice of cancellation may be sent and coverage denied for fraud or material misrepresentation in obtaining coverage. A policy may not be unilaterally rescinded or voided.

Maryland Fraud Statement: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Minnesota Notice: Authorization or agreement to bind the insurance may be withdrawn or modified only based on changes to the information contained in this application prior to the effective date of the insurance applied for that may render inaccurate, untrue or incomplete any statement made with a minimum of 10 days notice given to the insured prior to the effective date of cancellation when the contract has been in effect for less than 90 days or is being canceled for nonpayment of premium.

New Jersey Fraud Statement: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New York Disclosure Notice: This policy is written on a claims made basis and shall provide no coverage for claims arising out of incidents, occurrences or alleged Wrongful Acts or Wrongful Employment Acts that took place prior to retroactive date, if any, stated on the declarations. This policy shall cover only those claims made against an insured while the policy remains in effect for incidents reported during the Policy Period or any subsequent renewal of this Policy or any extended reporting period and all coverage under the policy ceases upon termination of the policy except for the automatic extended reporting period coverage unless the insured purchases additional extend reporting period coverage. The policy includes an automatic 60 day extended claims reporting period following the termination of this policy. The Insured may purchase for an additional premium an additional extended reporting period of 12 months, 24 months or 36 months following the termination of this policy. Potential coverage gaps may arise upon the expiration for this extended reporting

period. During the first several years of a claims-made relationship, claims-made rates are comparatively lower than occurrence rates. The insured can expect substantial annual premium increases independent overall rate increases until the claims-made relationship has matured.

North Dakota Fraud Statement: Notice to North Dakota applicants – Any person who knowingly and with the intent to defraud and 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 shall also be subject to a civil penalty.

Ohio Fraud Statement: 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.

Ohio Representation Statement: By acceptance of this policy, the Insured agrees the statements in the application (new or renewal) submitted to the company are true and correct. It is understood and agreed that the statements made in the insurance applications are incorporated into, and shall form part of, this policy. **THE INSURED UNDERSTANDS AND AGREES THAT ANY MATERIAL MISREPRESENTATION OR OMISSION ON THIS APPLICATION WILL ACT TO RENDER ANY CONTRACT OF INSURANCE NULL AND WITHOUT EFFECT OR PROVIDE THE COMPANY THE RIGHT TO RESCIND IT.**

Oklahoma Fraud Statement: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Oregon Fraud Statement: Notice to Oregon applicants: Any person who, with intent to defraud or knowing that he is facilitation a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may be guilty of insurance fraud.

Pennsylvania Fraud Statement: 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.

Tennessee Fraud Statement: 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.

Utah Notice: I understand that Punitive Damages are not insurable in the state of Utah. There will be no coverage afforded for Punitive Damages for any Claim brought in the State of Utah. Any coverage for Punitive Damages will only apply if a Claim is filed in a state which allows punitive or exemplary damages to be insurable. This may apply if a Claim is brought in another state by a subsidiary or additional location(s) of the Named Insured, outside the state of Utah, for which coverage is sought under the same policy

Utah Fraud Statement: 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.

Vermont Fraud Statement: 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 may be subject to fines and confinement in prison.

Virginia Notice: This Policy is written on a claims-made basis. Please read the policy carefully to understand your coverage. You have an option to purchase a separate limit of liability for the extended reporting period. If you do not elect this option, the limit of liability for the extended reporting period shall be part of the and not in addition to limit specified in the declarations. If you have any questions regarding the cost of an extended reporting period, please contact your insurance company or your insurance agent. Statements in the application shall be deemed the insured's representations. A statement made in the application or in any affidavit made before or after a loss under the policy will not be deemed material or invalidate coverage unless it is clearly proven that such statement was material to the risk when assumed and was untrue.

Virginia Fraud Statement: Any person who knowingly and with intent to defraud an insurer, submits an Application for insurance or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Washington Fraud Statement: 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.

Fraud Statement (All Other States): 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.

Missouri & Rhode Island Disclosure Notice: I understand and acknowledge that if a \$100,000 or \$250,000 Limit of Liability is chosen or if the Insured Organization has more than 200 employees, that Defense Costs are a part of the Limit of Liability. This means that Defense Costs will reduce my limits of insurance and may exhaust them completely and should that occur, I shall be liable for any further legal Defense Costs and Damages. Defense Costs are as defined in Section III. I also understand that the Limit of Liability for the Extended Reporting Period, if applicable, shall be a part of and not in addition to the limit specified in the Policy Declarations.

If your state requires that we have information regarding your Authorized Retail Agent or Broker, please provide below.

Retail agency name: _____ License #: _____

Agent's signature: _____ Main agency phone number: _____
(Required in New Hampshire)

Agency mailing address: _____

City: _____ State: _____ Zip: _____

The signer of this application acknowledges and understands that the information provided in this Application is material to the Insurer's decision to provide the requested insurance and is relied on by the Insurer in providing such insurance. The signer of this application represents that the information provided in this Application is true and correct in all matters. The signer of this Application further represents that any changes in matters inquired about in this Application occurring prior to the effective date of coverage, which render the information provided herein untrue, incorrect or inaccurate in any way will be reported to the Insurer immediately in writing. The Insurer reserves the right to modify or withdraw any quote or binder issued if such changes are material to the insurability or premium charged, based on the Insurer's underwriting guides. The Insurer is hereby authorized, but not required, to make any investigation and inquiry in connection with the information, statements and disclosures provided in this Application. The decision of the Insurer not to make or to limit any investigation or inquiry shall not be deemed a waiver of any rights by the Insurer and shall not estop the Insurer from relying on any statement in this Application in the event the Policy is issued. It is agreed that this Application shall be the basis of the contract should a policy be issued and it will be attached and become a part of the Policy.

New York Fraud Statement: 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 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.

Applicant's signature: _____ Title: _____
President, Chairperson of the Board, Managing Member, or Executive Director

Date: _____

Employment Practices Liability Insurance Policy

Notice: This is a Claims Made Policy. This Policy covers only those **Claims** first made against the **Insured** during the **Policy Period** or Extended Reporting Period, if purchased. **Defense Costs** shall be applied against the Retention.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the **Company**, including the statements made in the **Application** and all attachments and materials submitted therewith, and subject to all the provisions of this Policy, the **Company** agrees as follows:

I. INSURING AGREEMENT

- A.** The **Company** will pay on behalf of the **Insured, Loss** in excess of the Retention not exceeding the Limit of Liability shown on the policy Declarations for which this coverage applies that the **Insured** shall become legally obligated to pay because of **Claims** first made against the **Insured** during the **Policy Period** or during any Extended Reporting Period, if applicable, for **Wrongful Acts** arising solely out of an **Insured's** duties on behalf of the **Organization**.
- B.** The **Company** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of the **Claim** are groundless, false or fraudulent.

II. FULL PRIOR ACTS COVERAGE PROVISION

Coverage shall apply to any **Claim** made against an **Insured** for **Wrongful Acts** arising solely out of the **Insured's** duties on behalf of the **Organization** committed prior to the expiration date of this Policy or the effective date of cancellation or non-renewal of this Policy, if applicable, provided that the **Claim** is first made during the **Policy Period**, or Extended Reporting Period, if applicable.

However, coverage shall not apply to any **Claim** based upon or arising out of any **Wrongful Act** or circumstance likely to give rise to a **Claim** of which the person or persons signing the **Application** had knowledge or otherwise had a reasonable basis to anticipate might result in a **Claim**, prior to the earlier of:

- A.** the inception date of this Policy; or

- B.** the inception date of the first Policy of this type the **Company** has issued to the **Parent Organization**, provided that the **Company** has written continuous coverage for the **Parent Organization** from such date to the inception date of this Policy.

III. DEFINITIONS

- A. "Application"** means:
- (1) an application and any material submitted for this Policy and
 - (2) an application(s), and any material submitted, for all previous Policies issued by the **Company** providing continuous coverage until the inception date of this Policy.

The content of (1) and (2) above is incorporated by reference in this Policy as if physically attached hereto.

- B. "Claim"** means:
- (1) any written notice received by any **Insured** that any person or entity intends to hold such **Insured** responsible for a **Wrongful Act**; or
 - (2) any proceeding initiated against any **Insured**, including any appeal therefrom, seeking to hold such **Insured** responsible for a **Wrongful Act**, including any proceeding conducted by the Equal Employment Opportunity Commission or similar federal, state or local agency and any appeal therefrom;

A **Claim** shall be considered first made when the **Insured** or its legal representative or agent first receives notice of a **Claim**.

- C. "Company"** means the insurer identified on the Policy Declarations.
- D. "Defense Costs"** means reasonable and necessary legal fees and expenses incurred by the **Company**, or by any attorney designated by the **Company** to defend any **Insured**, resulting from the investigation, adjustment, defense and appeal of a **Claim**. **Defense Costs** includes other fees, costs, costs of attachment or similar bonds (without any obligation on the part of the **Company** to apply for or furnish such bonds,) but does not include salaries, wages, overhead or benefits expenses of any **Insured**.

- E. “**Discrimination**” means:
- (1) the termination of an employment relationship; or
 - (2) a demotion or a failure to hire or promote any individual; or
 - (3) any other limitation or classification of an **Employee** or applicant for employment which would deprive any individual of employment opportunities or adversely affect any individual’s status as an **Employee**;

because of race, color, religion, age, sex, disability, pregnancy, national origin, marital status, sexual orientation or other protected class or characteristic established under applicable federal, state, or local statute, ordinance, regulation or order.

- F. “**Domestic Partner**” means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law.
- G. “**Employee**” means any natural person whose labor or service is engaged by and directed by the **Organization** while performing duties related to the conduct of the **Organization’s** business and includes leased, part-time, seasonal and temporary workers, independent contractors, volunteers and interns.

An **Employee’s** status as an **Insured** will be determined as of the date of the **Wrongful Act** that results in a **Claim**.

- H. “**Harassment**” means:
- (1) sexual harassment including unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature that are made a condition of employment, are used as a basis for employment decisions, or create a work environment that is hostile, intimidating or offensive or that interferes with performance; or
 - (2) other harassment which creates a work environment that is hostile, intimidating or offensive or that otherwise interferes with performance.
- I. “**Individual Insured(s)**” means any persons who were, now are, or shall be directors, officers, partners, managing members or **Employees** of the **Organization** including their estates, heirs, legal representatives or assigns in the event of their death, incapacity or bankruptcy.

- J. “**Insured(s)**” means the **Organization** and the **Individual Insureds**.
- K. “**Loss**” means damages and settlements, front pay and back pay, and pre-judgment and post judgment interest awarded by a court and punitive or exemplary damages to the extent such damages are insurable under applicable law but does not include fines, penalties, taxes, the multiplied portion of any multiple damage award or an express obligation to make payments in the event of the termination of employment.

For the purpose of determining the insurability of punitive damages and exemplary damages, the laws of the jurisdiction most favorable to the insurability of such damages shall control, provided that such jurisdiction has a substantial relationship to the relevant **Insured** or to the **Claim** giving rise to the damages.

- L. “**Organization**” means:
- (1) the **Parent Organization** and
 - (2) any **Subsidiary** of the **Parent Organization**; and
 - (3) any entity in its capacity as a debtor in possession of (1) or (2) above under the United States bankruptcy law or equivalent status under the law of any other jurisdiction.
- M. “**Parent Organization**” means the entity named in Item 1 of the Policy Declarations.
- N. “**Policy Period**” means the period from the effective date of this Policy as set forth in the Policy Declarations, to the expiration date or effective date of cancellation or non-renewal, if any.
- O. “**Retaliation**” means any actual or alleged retaliatory treatment against an **Employee** because of:
- (1) the exercise of or attempt to exercise an **Employee’s** rights under law; or
 - (2) an **Employee’s** disclosure of or threat to disclose to a governmental agency or superior, acts of actual or alleged wrongdoing by an **Insured**; or
 - (3) the filing of any claim under any federal, state, or local “whistle-blower” law including the Federal False Claims Act; or
 - (4) **Employee** strikes or slowdowns.
- P. “**Subsidiary**” means, for the purpose of this Policy, any entity which is more than 50% owned by the **Parent Organization** as of the effective date of this Policy and is disclosed

as a **Subsidiary** in an **Application** to the **Company**.

An entity formed or acquired after the effective date of this Policy is, for the purpose of this Policy, a **Subsidiary** if:

- (1) the entity's **Employees** total less than 25% of the total work force of the **Parent Organization** and
- (2) notice is given to the **Company** with full particulars about the new **Subsidiary** as soon as practicable but no later than the expiration date of this Policy or effective date of cancellation or non-renewal, if any

An entity which is formed or acquired after the effective date of this Policy and its **Employees** total 25% or more of the total work force of the **Parent Organization** is, for the purpose of this Policy, a **Subsidiary** if:

- (1) notice is given to the **Company** of such **Subsidiary** as soon as practicable but within sixty (60) days of the formation or acquisition of the **Subsidiary** and
- (2) the **Parent Organization** provides the **Company** with such information as the **Company** may deem necessary to determine insurability of the **Subsidiary** and
- (3) the **Parent Organization** accepts any special terms, conditions, exclusions, limitations or premium imposed by the **Company** and
- (4) the **Company**, at its sole discretion, agrees to insure the **Subsidiary**.

A **Subsidiary** which is sold or dissolved:

- (1) after the effective date of this Policy and which was an **Insured** under this Policy; or
- (2) prior to the effective date of this Policy and which was an **Insured** under a prior Policy issued by the **Company**;

shall continue to be an **Insured**, but only with respect to **Claims** first made during this **Policy Period** or Extended Reporting Period, if applicable, arising out of **Wrongful Acts** committed or allegedly committed during the time the entity was a **Subsidiary** of the **Parent Organization**.

Q. "Workplace Tort" means any actual or alleged employment-related:

- (1) misrepresentation; or
- (2) negligent supervision, training or evaluation; or
- (3) wrongful discipline; or
- (4) wrongful deprivation of a career opportunity; or

(5) failure to enforce written policies and procedures relating to a **Wrongful Act**.

R. "Wrongful Act" means any actual or alleged act of:

- (1) **Discrimination**; or
- (2) **Harassment**; or
- (3) **Retaliation**; or
- (4) **Wrongful Termination**; or
- (5) **Workplace Tort**; or
- (6) negligent violation of the Uniform Services Employment & Reemployment Rights Act; or
- (7) negligent violation of the Family and Medical Leave Act of 1993; or
- (8) negligent violation of state law having the same or substantially similar purpose as the Acts in (6) or (7) above; or
- (9) acts described in clauses (1) through (8) above arising from the use of the **Organization's** Internet, e-mail, telecommunication or similar systems, including the failure to provide and enforce adequate policies and procedures relating to such use of the **Organization's** Internet, e-mail, telecommunication or similar systems;

committed or allegedly committed by the **Organization** or by an **Individual Insured** acting solely within his/her capacity as such, involving and brought by any **Employee**, former **Employee** or applicant for employment with the **Organization** or asserted by any **Employee**, former **Employee** or applicant for employment with the **Organization** against an **Individual Insured** because of his/her status as such.

It is further agreed that the same **Wrongful Act**, an interrelated series of **Wrongful Acts** or a series of similar or related **Wrongful Acts** by one or more **Insureds** shall be deemed to be one **Wrongful Act** and to have commenced at the time of the earliest **Wrongful Act**.

S. "Wrongful Termination" means the actual or constructive termination of an employment relationship or the demotion of or the failure to promote any **Employee** in a manner which is illegal and wrongful or in breach of an implied agreement to continue employment.

IV. EXCLUSIONS

A. The **Company** shall not be liable to make payment for **Loss** or **Defense Costs** in connection with any **Claim** made against the **Insured** for;

any actual or alleged bodily injury, sickness, disease or death of any person, or damage to or destruction of any tangible property

including any resulting loss of use; provided that this exclusion shall not apply to **Claims** for mental anguish, emotional distress, invasion of privacy, humiliation, libel, slander or defamation that result from a **Wrongful Act**.

B. The **Company** shall not be liable to make payment for **Loss** or **Defense Costs** (except where otherwise noted) in connection with any **Claim** made against the **Insured** arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:

- (1) conduct of the **Insured** or at the **Insured's** direction that is fraudulent, dishonest or criminal provided that this exclusion will not apply to:
 - (a) **Defense Costs** incurred until such conduct is established to be fraudulent, dishonest or criminal by final and non-appealable judgment or adjudication;
 - (b) the strictly vicarious liability of the **Insured** for the fraudulent, dishonest or criminal conduct of another **Insured**; or
- (2) any pension, profit sharing, welfare benefit or other employee benefit program established in whole or in part for the benefit of any **Individual Insured**, or based upon, arising out of or in any way involving the Employee Retirement Income Security Act of 1974 (except Section 510 thereof) or any amendments thereof or regulations promulgated thereunder or similar provisions of any federal, state or local statutory law or common law; provided that this exclusion will not apply to any **Claim** for actual or alleged **Retaliation** with regard to benefits paid or payable; or
- (3) any obligation under a worker's compensation, disability benefits, insurance benefits or unemployment compensation law or any similar law or regulation; provided that this exclusion will not apply to any **Claim** for actual or alleged **Retaliation** with regard to benefits paid or payable; or
- (4) any prior or pending litigation, administrative or regulatory proceeding, **Claim**, demand, arbitration, decree or judgment of which the **Insured** had written notice before the effective date of this Policy; or any fact, circumstance, event, situation, or **Wrongful Act** which before the effective date of this Policy

was the subject of any notice under any other similar policy of insurance to the **Insured**; or any future **Claims** or litigation based upon the pending or prior litigation or derived from the same or essentially the same facts, actual or alleged;

provided that, if this Policy is a renewal of a Policy or Policies previously issued by the **Company** and if the coverage provided by the **Company** was continuous from the effective date of the first such other Policy to the effective date of this Policy, the reference in this exclusion to the "effective" date" will mean the effective date of the first Policy under which the **Company** first provided continuous coverage to the **Insured**; or

- (5) any lockout, strike, picket line, replacement of worker(s) or other similar actions resulting from labor disputes or labor negotiations; provided that this exclusion will not apply to a **Claim** for actual or alleged **Retaliation** arising from the foregoing; or
- (6) the National Labor Relations Act, Labor Management Relations Act and amendments thereto, or any similar state, federal or local law or regulation; provided that this exclusion will not apply to a **Claim** for actual or alleged **Retaliation** arising from an **Insured's** alleged violation of such laws; or
- (7) any **Claim** against any **Subsidiary** or its **Individual Insureds** for any **Wrongful Act** occurring prior to the date that such entity became a **Subsidiary** or any **Wrongful Act** occurring at any time that such entity is not a **Subsidiary**; or
- (8) any damages which the **Insured** is legally obligated to pay by reason of the assumption of another's liability for a **Wrongful Act** in a contract or agreement. This exclusion does not apply to liability for damages that the **Insured** would have in the absence of the contract or agreement;
- (9) actual or alleged violations of the Fair Labor Standards Act, any amendments thereto, or any similar provisions of any federal, state or local law (except the Equal Pay Act); or improper wages or wage disputes due to misclassification of **Employees** as exempt or non exempt; or misrepresentation involving any

Employee's status as exempt or non-exempt.

C. The **Company** shall not be liable to make payment for **Loss** in connection with any **Claim** made against the **Insured** arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:

- (1) the **Insured's** actual or alleged liability for damages under any express employment contract or express employment agreement; provided that this exclusion shall not apply to liability for a **Wrongful Act** which the **Insured** would have in the absence of such contract or agreement; or
- (2) any costs or actual or alleged liability resulting from the modification of any real or personal property in order to make said real or personal property more accessible or accommodating to any disabled person.

Defense Costs shall be a part of and not in addition to the Limit of Liability stated in Item III of the Policy Declarations for C.(1) and C.(2) above.

V. LIMITS OF LIABILITY AND RETENTION

Regardless of the number of **Insureds** under this Policy, **Claims** made or brought on account of **Wrongful Acts** or otherwise, the **Company's** liability is limited as follows:

- A. The Limit of Liability specified in the Policy Declarations as "in the aggregate" shall be the maximum liability for **Loss** from all **Claims** to which this Policy applies.
- B. The Limit of Liability specified in the Policy Declarations as the Limit for each **Claim** shall be the maximum liability for **Loss** for each **Claim** to which this Policy applies.
- C. **Defense Costs** shall be in addition to the Limit of Liability shown in the Policy Declarations.
- D. Subject to the Limits of Liability provisions stated in **A.**, **B.**, and **C.** above, the **Company** shall be liable to pay only **Defense Costs** and **Loss** in excess of the Retention specified in the Policy Declarations hereof as respects each and every **Claim** to which this Policy applies.
- E. The **Company** shall have no obligation to pay any part or all of the Retention specified in the Policy Declarations for any **Claim** on

behalf of an **Insured**. If the **Company**, at its sole discretion, elects to pay any part or all of the Retention, the **Insureds** agree to repay such amounts to the **Company** upon demand.

- F. The Limit of Liability for the Extended Reporting Period, if applicable, shall be a part of and not in addition to the Limit specified in the Policy Declarations.
- G. **Claims** based upon or arising out of the same **Wrongful Act**, interrelated **Wrongful Acts**, or a series of similar or related **Wrongful Acts** shall be considered a single **Claim** and shall be considered first made during the **Policy Period** or Extended Reporting Period, if applicable, in which the earliest **Claim** arising out of such **Wrongful Act(s)** was first made and all **Loss** for such **Claims** shall be subject to the one Limit of Liability that applies to such earliest **Claim**.
- H. The Limit of Liability for this Policy shall apply separately to each consecutive annual period starting with the beginning of the **Policy Period** shown in the Policy Declarations. If this Policy is issued for a period of more than twelve (12) months but less than twenty four (24) months or if the **Policy Period** is extended after issuance, the additional Extended Reporting Period will be deemed part of the last **Policy Period** for the purposes of determining the Limit of Liability.

VI. SPOUSAL AND DOMESTIC PARTNER EXTENSION

If a **Claim** against an **Individual Insured** includes a **Claim** against the lawful spouse or **Domestic Partner** of such **Individual Insured** solely by reason of (a) such spousal or **Domestic Partner** status or (b) such spouse's or **Domestic Partner's** ownership interest in property or assets that are sought as recovery for **Wrongful Acts**, any **Loss** which such spouse or **Domestic Partner** becomes legally obligated to pay on account of such **Claim** shall be deemed **Loss** which the **Individual Insured** becomes legally obligated to pay as a result of the **Claim**.

All definitions, exclusions, terms and conditions of this Policy, including the Retention, applicable to any **Claim** against, or **Loss** or **Defense Costs** sustained by, such **Individual Insured** shall also apply to this coverage extension.

The extension of coverage afforded by this Section VI shall not apply to the extent the **Claim** alleges any **Wrongful Act**, error, omission, misstatement, misleading statement, neglect or breach of duty committed by such spouse or

Domestic Partner as long as they are not also an **Individual Insured**.

VII. EXTENDED REPORTING PERIOD

- A.** If the Policy expires, is cancelled or is non renewed for any reason other than non payment of premium, the **Parent Organization** shall have the right to purchase an Extended Reporting Period to report any **Claim(s)** or circumstance(s) which could be expected to give rise to a **Claim** being first made against an **Insured** during the twelve (12) months, twenty-four (24) months or thirty-six (36) months after the expiration date or effective date of such cancellation or non-renewal (depending upon the Extended Reporting Period purchased). An Extended Reporting Period shall only apply to a **Wrongful Act** committed before the date of the Policy expiration, cancellation or non-renewal. For the purpose of this clause, any change in premium terms or terms on renewal shall not constitute a refusal to renew.
- B.** The additional premium for the Extended Reporting Period shall be 50% of the annual premium set forth in the Policy Declarations for the twelve (12) month period; 100% of the annual premium set forth in the Policy Declarations for the twenty-four (24) month period; and 150% of the annual premium set forth in the Policy Declarations for the thirty-six (36) month period. The Extended Reporting Period begins on the expiration date or effective date of the cancellation or non-renewal of the Policy. The **Parent Organization** must notify the **Company** in writing and must pay the additional premium set forth above no later than thirty (30) days after the expiration date or effective date of such cancellation or non-renewal.
- C.** All premium paid with respect to an Extended Reporting Period shall be deemed fully earned as of the first day of the Extended Reporting Period.
- D.** The Limits of Liability available during the Extended Reporting Period shall not exceed the balance of the Limits of Liability available on the expiration date or effective date of the cancellation or non-renewal of the Policy.
- E.** Coverage for **Claim(s)** or circumstances which ultimately lead to a **Claim(s)** first received and reported during the Extended Reporting Period shall be excess over any other valid and collectible insurance providing coverage for such **Claim(s)**.

VIII. DEFENSE AND SETTLEMENT

- A.** The **Insured** shall not demand or agree to arbitration of any **Claim** without the written consent of the **Company**. The **Insured** shall not, except at personal cost, make any offer or payment, admit any liability, settle any **Claim**, assume any obligation or incur any expense without the **Company's** written consent.
- B.** Except as otherwise provided in this Policy, if a **Claim** is made against an **Insured** for **Loss** that is both covered and uncovered by this Policy, the **Company** will pay one hundred percent (100%) of the **Defense Costs** for the **Claim** until such time that the Limits of Liability of this policy are exhausted by payment of a covered **Loss** or the **Claim** for the covered **Loss** is resolved by settlement, verdict or summary judgment.
- C.** The **Company**, as it deems expedient, has the right to investigate, adjust, defend, appeal and, with the consent of the **Insured**, negotiate the settlement of any **Claim** whether within or above the Retention. If the **Insured** refuses to consent to a settlement recommended by the **Company**, the **Company** is not obligated to pay any **Loss** or defend any **Claim** after the Limit of Liability has been exhausted by payment of **Loss** by settlement or otherwise. The **Company's** obligation to the **Insured** for **Defense Costs** and **Loss** attributable to such **Claim(s)** shall be limited to:
- (1) the amount of the covered **Loss** in excess of the Retention which the **Company** would have paid in settlement at the time the **Insured** first refused to settle;
 - (2) plus covered **Defense Costs** incurred up to the date the **Insured** first refused to settle;
 - (3) plus seventy five percent (75%) of covered **Loss** and **Defense Costs** in excess of the first settlement amount recommended by the **Company** to which the **Insured** did not consent.

It is understood that payment of (1), (2) and (3) above is the limit of the **Company's** liability under this Policy for any **Claim** in which the **Insured** fails or refuses to consent to the **Company's** settlement recommendation, subject at all times to the Limits of Liability and Retention provisions of this Policy. The remaining twenty five percent (25%) of **Loss** and **Defense Costs** in excess of the amount referenced in (1) and (2) above shall be the obligation of the **Insured**.

- D.** The **Insured** agrees to cooperate with the **Company** on all **Claims**, and provide such

assistance and information as the **Company** may reasonably request. Upon the **Company's** request, the **Insured** shall submit to examination and interrogation by a representative of the **Company**, under oath if required, and shall attend hearings, depositions and trials and shall assist in the conduct of suits, including but not limited to effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, giving written statements to the **Company's** representatives and meeting with such representatives for the purpose of investigation and/or defense, all of the above without charge to the **Company**. The **Insured** further agrees not to take any action which may increase the **Insured's** or the **Company's** exposure for **Loss** or **Defense Costs**.

The **Insured** shall execute all papers required and shall do everything that may be necessary to secure and preserve any rights of indemnity, contribution or apportionment which the **Insured** or the **Company** may have, including the execution of such documents as are necessary to enable the **Company** to bring suit in the **Insured's** name and shall provide all other assistance and cooperation which the **Company** may reasonably require.

IX. NOTICE/CLAIM AND CIRCUMSTANCE REPORTING PROVISIONS

Notice of a **Claim** or circumstance which could be expected to give rise to a **Claim** being made against any **Insured** shall be given in writing to the **Company**. If mailed, the date of mailing of such notice shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

- A.** As a condition precedent to exercising any right to coverage under this Policy, the **Insured** shall give to the **Company** written notice of a **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** as soon as practicable, but:
- (1) if the Policy expires, is cancelled or is non-renewed and if no Extended Reporting Period is purchased, no later than sixty (60) days after the expiration date or effective date of such cancellation or non-renewal; or
 - (2) if an Extended Reporting Period is purchased, no later than the last day of the Extended Reporting Period.
- B.** If written notice of a **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** has

been given to the **Company** pursuant to Clause IX. **A.** above, then any **Claim** which is subsequently made against the **Insured** and reported to the **Company** alleging, arising out of, based upon or attributable to the facts alleged in the **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** for which notice was given, or alleging any **Wrongful Act** which is the same as or related to any **Wrongful Act** alleged in the **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** for which notice was given, shall be considered made at the time such notice was given.

X. CANCELLATION OR NON-RENEWAL

- A.** This Policy may be canceled by the **Parent Organization** by either surrender of the Policy thereof to the **Company** at its address stated on the Policy Declarations or by mailing to the **Company** written notice requesting cancellation and in either case stating when thereafter such cancellation shall be effective. If canceled by the **Parent Organization**, the **Company** shall retain the customary short rate proportion of the premium.
- B.** The **Company** may cancel this Policy only in the event of the failure of the **Insured** to pay the premium when due by mailing to the **Parent Organization** written notice when, not less than ten (10) days thereafter, such cancellation shall be effective.
- C.** In the event the **Company** refuses to renew this Policy, the **Company** shall mail to the **Parent Organization**, not less than sixty (60) days prior to the end of the **Policy Period**, written notice of non-renewal. Such notice shall be binding on all **Insureds**.
- D.** The **Company** shall mail notice of Cancellation or Non-renewal by certificate of mailing stating the effective date of Cancellation or Non-renewal and the specific reason(s) for Cancellation or Non-renewal, which shall become the end of the **Policy Period**. Mailing of such notice shall be sufficient notice of Cancellation or Non-renewal.
- E.** If the Policy is canceled by the **Company**, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected, or as soon as practicable thereafter.

XI. REPRESENTATIONS AND SEVERABILITY

- A.** The **Insured** represents that the particulars and statements contained in the **Application** are true and agree that (1) those particulars and statements are the basis of this Policy and are to be considered as incorporated into and constituting a part of the Policy; (2) those particulars and statements are material to the acceptance of the risk assumed by the **Company**; and (3) the Policy is issued in reliance upon the truth of such representations.
- B.** An **Application** for coverage shall be construed as a separate **Application** for coverage by each **Individual Insured**. With respect to the particulars and statements contained in the **Application**, no fact pertaining to or knowledge possessed by any **Individual Insured** shall be imputed to any other **Individual Insured** for the purpose of determining if coverage is available. However, facts pertaining to and knowledge possessed by the individual(s) signing the **Application** and the President, Chairperson, Chief Executive Officer, Partner and Chief Financial Officer shall be imputed to the **Organization** for the purpose of determining if coverage is available.

XII. SUBROGATION

In the event of any payment under this Policy, the **Company** shall be subrogated to the **Insured's** right of recovery therefore against any person or entity and the **Insured** shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall not do anything to prejudice such rights.

XIII CHANGES

Notice to any agent or knowledge by any agent shall not effect a waiver or change in any part of this Policy or stop the **Company** from asserting any right under the terms of this Policy, nor shall the terms of this Policy be waived or changed except by an endorsement, issued by the **Company** to form a part of this Policy.

XIV. AUTHORIZATION CLAUSE AND NOTICES

By acceptance of this Policy, the **Insured** agrees that the **Parent Organization** shall act on behalf of all **Insureds** with respect to the giving and receiving of any return premiums that may become due under this Policy. Notice to the **Parent Organization** shall be directed to the individual named in the **Application**, or such other person as shall be designated by the

Parent Organization in writing, at the address of the **Parent Organization**. Such notice shall be deemed to be notice to all **Insureds**. The **Parent Organization** shall be the agent of all **Insureds** to effect changes in the Policy or purchase the Extended Reporting Period.

XV. ASSIGNMENT

Assignment of interest under this Policy shall not bind the **Company** unless its consent is endorsed hereon.

XVI. OTHER INSURANCE

This Policy shall be excess of other existing insurance, including but not limited to any insurance under which there is a duty to defend, unless such other insurance is specifically written to be in excess of this Policy.

XVII. TERMS OF POLICY CONFORMED TO STATUTE

Terms of this Policy which are in conflict with the statutes of the State wherein this Policy is issued are hereby amended to conform to such statutes.

XVIII. CHANGES IN EXPOSURE

- A.** If after the inception date of this Policy:
- (1) the **Parent Organization** merges into or consolidates with another entity such that the **Parent Organization** is not the surviving entity; or
 - (2) another entity, person or group of entities and/or persons acting in concert acquires more than fifty percent (50%) of the assets of the **Parent Organization**; or
 - (3) another entity, person or group of entities and/or persons acting in concert acquires the right to elect or select a majority of the directors of the **Parent Organization**; or
 - (4) the **Parent Organization** sells all or substantially all of its assets ,

the above events referred to as a "Transaction";

this Policy shall continue in full force and effect until the expiration date shown in the Policy Declarations or the effective date of non-renewal if applicable, with respect to **Wrongful Acts** occurring before the Transaction, but there shall be no coverage under this Policy for actual or alleged **Wrongful Acts** occurring on and after the Transaction. The entire premium for this Policy shall be deemed fully earned on the transaction date. In the event of a Transaction, the **Parent Organization** shall have the right to an offer of coverage by the **Company** for an Extended Reporting Period to report **Wrongful**

Acts occurring prior to the effective date of the Transaction.

B. The **Parent Organization** shall give the **Company** written notice of the Transaction as soon as practicable, but not later than thirty (30) days after the effective date of the Transaction.

XIX. ACTION AGAINST THE COMPANY

A. No action shall lie against the **Company** unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, and until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant or the claimant's legal representative, and the **Company**.

B. Any person or the legal representatives 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 entity shall have any right under this Policy to join the **Company** as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the **Company** be impleaded by the **Insured** or their legal representatives.

Bankruptcy or insolvency of the **Insured** or their successors in interest shall not relieve the **Company** of its obligations hereunder.

XX. ACCEPTANCE

This Policy embodies all agreements existing between the parties hereunder or any of their agents relating to this insurance.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Application Addendum modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICY

FLORIDA ADDENDUM TO APPLICATION

TO BE ATTACHED TO AND MADE A PART OF ALL APPLICATIONS IN THE STATE OF FLORIDA.

I understand that there is no coverage for punitive damages assessed directly against an insured under Florida law. However, I also understand that punitive damages that are not assessed directly against an insured, also known as “vicariously assessed punitive damages”, are insurable under Florida law.

Therefore, if any Policy is issued to the Applicant as a result of the **Application** to which this Addendum is attached and such Policy provides coverage for punitive damages, I understand and acknowledge that the coverage for **Claims** brought in the State of Florida is limited to “vicariously assessed punitive damages” and that there is no coverage for directly assessed punitive damages.

I have read and accepted the above:

Signature



RESOURCES TO HELP YOUR BUSINESS GROW!

As a policyholder through USLI or Devon Park Specialty, you have access to many free and discounted services through the Business Resource Center that will assist you in operating, growing and protecting your business. Consider the following services and associated cost savings when deciding where to place your insurance!

HUMAN RESOURCES



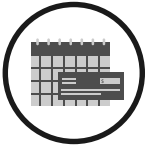
- » Free human resources consultation hotline to be used for personnel issues, including harassment and discrimination, the Family and Medical Leave Act, disability, wage and hours regulations and more
- » Online library with information, forms and articles pertaining to human resources
- » Resources for recruiting and training as well as termination and administration

PRE-EMPLOYMENT AND TENANT SCREENINGS



- » Discounted background checks, including multi-court criminal database searches, county criminal searches and more (first background check is free)
- » Best practices for performing a background check
- » Discounted tenant and drug screenings and motor vehicle reports (MVRs)

PAYROLL AND TAXES



- » Discounted payroll processing and tax services tailored for either a small or large business

CYBER RISK



- » Materials about securing personal and payment card information
- » Complimentary access to tools and resources that will help you understand your exposure to a data breach and the importance of a response plan

MARKETING

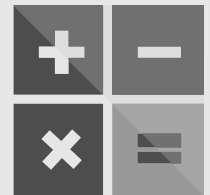


- » Suggested free and paid services, including email campaigns, photo editing, file management and more, for web marketing for your business
- » Suggested free and paid services for social media platforms, development, management and more
- » Discounted promotional items, giveaways and signage

SAFETY



- » Free on-site safety and occupational health consultation for your business
- » Free personal credit report
- » Disaster and emergency preparedness resources
- » Discounted alcohol and food server safety training for your staff and servers
- » Discounted CPR and first aid training
- » Youth resources for concussion training, waivers of liability, recognizing the signs and symptoms of child abuse, and more



Try our cost-savings calculator to see how much you could save!

INSURANCE

POLICY

UNITED STATES LIABILITY INSURANCE GROUP

A STOCK COMPANY

A BERKSHIRE HATHAWAY COMPANY

1190 Devon Park Drive
Wayne, PA 19087-2191
CUSTOMER SERVICE: 888-523-5545 – USLI.COM

This policy jacket together with the policy declarations, coverage forms and endorsements, if any, complete this policy.

The enclosed declarations designates the issuing company.

INSURANCE POLICY

Read your policy carefully!

In Witness Whereof, the company has caused this Policy to be executed and attested. Where required by law, this Policy shall not be valid unless countersigned by a duly authorized representative of the company.

Secretary



President



This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICY

Amended Notice/Claim And Circumstance Reporting Provisions

It is agreed:

I. INSURING AGREEMENT is deleted in its entirety and replaced by:

- A. The **Company** will pay on behalf of the **Insured**, **Loss** in excess of the Retention not exceeding the Limit of Liability shown on the policy Declarations for which this coverage applies that the **Insured** shall become legally obligated to pay because of Claims first made against the **Insured** during the **Policy Period** or during any Extended Reporting Period, if applicable, for **Wrongful Acts** arising solely out of an **Insured's** duties on behalf of the **Organization**. Such **Claim** must be reported to the Company in accordance with Section IX herein.
- B. The **Company** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of the **Claim** are groundless, false or fraudulent.

II. FULL PRIOR ACTS COVERAGE PROVISION is deleted in its entirety and replaced by:

Coverage shall apply to any **Claim** made against an **Insured** for **Wrongful Acts** arising solely out of the **Insured's** duties on behalf of the **Organization** committed prior to the expiration date of this Policy or the effective date of cancellation or non-renewal of this Policy, if applicable, provided that the **Claim** is first made during the **Policy Period**, or Extended Reporting Period, if applicable. Such **Claim** must be reported to the Company in accordance with Section IX herein.

However, coverage shall not apply to any **Claim** based upon or arising out of any **Wrongful Act** or circumstance likely to give rise to a **Claim** of which the person or persons signing the **Application** had knowledge or otherwise had a reasonable basis to anticipate might result in a **Claim**, prior to the earlier of:

- A. the inception date of this Policy; or
- B. the inception date of the first Policy of this type the **Company** has issued to the **Parent Organization**, provided that the **Company** has written continuous coverage for the **Parent Organization** from such date to the inception date of this Policy.

VII. EXTENDED REPORTING PERIOD is deleted in its entirety and replaced by:

- A. If the policy expires, is cancelled or non-renewed for any reason other than non-payment of premium, the **Parent Organization** shall have the right to purchase an Extended Reporting Period to report to the **Company** as soon as practicable during the Extended Reporting Period any **Claim (s)** being first made against an **Insured** during the twelve (12) months, or twenty-four (24) months or thirty six (36) months after the effective date of such

expiration, non-renewal or cancellation (depending upon the Extended Reporting Period purchased,). For the purpose of this section, any change in premium terms or terms on renewal shall not constitute a refusal to renew. An Extended Reporting Period shall only apply to a **Claim** arising from a **Wrongful Act** which was committed before the date of such expiration, cancellation or non-renewal.

- B.** The additional premium for the Extended Reporting Period shall be 50% of the annual premium set forth in the Policy Declarations for the twelve (12) month period; 100% of the annual premium set forth in the Policy Declarations for the twenty-four (24) month period; or 150% of the annual premium set forth in the Policy Declarations for the thirty-six (36) month period. The Extended Reporting Period begins on the expiration date or the effective date of cancellation or non-renewal of the policy. The **Parent Organization** must notify the **Company** in writing and must pay the additional premium due above no later than thirty (30) days after the effective date of such expiration, cancellation or non-renewal.
- C.** All premium paid with respect to an Extended Reporting Period shall be deemed fully earned as of the first day of the Extended Reporting Period.
- D.** The Limits of Liability available during the Extended Reporting Period shall not exceed the balance of the Limits of Liability available on the expiration date or effective date of cancellation or non-renewal of the policy.
- E.** Coverage for a **Claim** first received and reported during the Extended Reporting Period shall be excess over any other valid and collectible insurance providing coverage for such **Claim**.

IX. NOTICE/CLAIM AND CIRCUMSTANCE REPORTING PROVISIONS is deleted in its entirety and replaced by:

Notice hereunder shall be given in writing to the **Company**. If mailed, the date of mailing of such notice shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

A. Written Notice of a Claim:

- (1)** As a condition precedent to exercising any right to coverage under this Policy, an **Insured** shall give to the **Company** written notice of a **Claim**, as soon as practicable but:
 - (a)** if the Policy expires, is cancelled or is non-renewed and if no Extended Reporting Period is purchased, no later than sixty (60) days after the expiration date or effective date of such cancellation or non-renewal. Coverage for a **Claim** reported to the **Company** during the sixty (60) day period after expiration, cancellation or non-renewal applies only if the **Claim** is first made against an **Insured** prior to the Policy expiration or effective date of cancellation or non-renewal; or
 - (b)** if an Extended Reporting Period is purchased, no later than the last day of the Extended Reporting Period;

provided that if the **Company** sends written notice to the **Parent Organization** stating that this Policy is being terminated for nonpayment of premium, an **Insured** shall give to the **Company** written notice of such **Claim** prior to the effective date of such termination.

- (2) If an Extended Reporting Period is purchased, notice of **Claim** shall be in accordance with the terms and conditions of Section VII. EXTENDED REPORTING PERIOD.

B. Written Notice of a Circumstance:

- (1) An **Insured** shall give to the **Company** written notice of a circumstance which could reasonably be expected to give rise to a **Claim** being made against an **Insured** as soon as practicable during the **Policy Period** in which an **Insured** first becomes aware of the circumstance.
- (2) If written notice of a circumstance which could reasonably be expected to give rise to a **Claim** being made against an **Insured** has been given to the **Company** during the **Policy Period**, any **Claim** which is subsequently made against an **Insured** and reported to the **Company** alleging, arising out of, based upon, or attributable to the facts set forth in the reported circumstance shall be considered to have been first made at the time such notice of the circumstance was given. Coverage for a circumstance reported pursuant to this provision applies only if the **Wrongful Act** that is the subject of the reported circumstance occurs prior to the expiration date or if applicable, prior to the effective date of cancellation or non-renewal of the **Policy Period** in which the circumstance was reported.
- (3) When reporting a circumstance to the **Company**, an **Insured** shall give the reasons for anticipating why the circumstance could reasonably be expected to give rise to a **Claim** being made against an **Insured** with full particulars as to the dates and persons involved.

All other terms and conditions of this Policy remain unchanged. This endorsement is part of the **Parent Organization's** Policy and takes effect on the effective date of the **Parent Organization's** Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICY

AMENDED DEFINITION OF LOSS ENDORSEMENT

It is hereby agreed that Section III. DEFINITIONS is amended by deleting paragraph **K.** and replacing it with the following:

K. “**Loss**” means damages, settlements, front pay, back pay, and pre-judgment and post-judgment interest awarded by a court.

Loss also includes:

- (1) punitive and exemplary damages;
- (2) liquidated damages awarded by a court pursuant to a violation of the Equal Pay Act, the Age Discrimination in Employment Act, the Family Medical Leave Act, and the Fair Labor Standards Act (if endorsement EPL-162 is endorsed to this policy), all as amended, or any rules or regulations promulgated thereunder, or similar provisions of any federal, state or local law, statute or regulation; and
- (3) the multiplied portion of any multiplied damage award
to the extent such damages are insurable under applicable law, statute or regulation.

For the purpose of determining the insurability of punitive, exemplary or liquidated damages or the multiplied portion of any multiplied damage award, the laws of the jurisdiction most favorable to the insurability of such damages shall control, provided that such jurisdiction has a substantial relationship to the relevant **Insured** or to the **Claim** giving rise to the damages.

Loss does not include:

- (1) fines, penalties and taxes;
- (2) monetary sanctions that are uninsurable by operation of law;
- (3) an express obligation to make payment in the event of the termination of employment.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

FLORIDA STATE AMENDATORY ENDORSEMENT

To be attached to and form a part of all Employment Practices Liability Insurance Policies written in the state of Florida.

It is agreed that the following are added and supersede any provision to the contrary in Section X. CANCELLATION OR NON-RENEWAL:

- F. If the **Company** cancels this Policy, the **Company** will send the **Parent Organization** the pro rata refund, if applicable, within fifteen (15) business days after the effective date of the cancellation. However, making or offering to make the refund is not a condition of cancellation. If the **Policy Period** is other than one (1) year, the Company will have the rights not to renew or continue it only at an anniversary of its original effective date. If the **Company** offers to renew or continue and the **Parent Organization** does not accept, this Policy will terminate at the end of the current **Policy Period**.
- G. If the **Company** fails to issue a proper non-renewal or cancellation notice that complies with applicable law, coverage will remain in effect. However, if the **Parent Organization** obtains replacement coverage, the **Company's** obligation to continue coverage hereunder shall cease.
- H. When the Policy is canceled by the **Parent Organization**, the customary short rate of return premium shall not be less than ninety percent (90%) of the pro rata unearned premium.

ANY QUESTIONS OR PROBLEMS CONCERNING THIS POLICY, PLEASE CONTACT YOUR AGENT. UNITED STATES LIABILITY INSURANCE GROUP'S TOLL FREE NUMBER IS 1-800-523-5545.

NOTHING CONTAINED HEREIN SHALL VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, PROVISIONS, REPRESENTATIONS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICY

EXPANDED DEFINITION OF ORGANIZATION ENDORSEMENT

It is hereby agreed that Section III. DEFINITIONS, L. “**Organization**” is amended to include the following:

1. [Insert Organization Name]
2. [Insert Organization Name]

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY POLICY

**KNOWN CIRCUMSTANCE REVEALED IN APPLICATION
EXCLUSION ENDORSEMENT**

It is hereby agreed that the **Company** shall not be liable to make payment for **Loss** or **Defense Costs** in conjunction with any **Claim** made against the **Insured** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any matter, fact, or circumstance disclosed in connection with Question(s) [insert question #] of the **Application** dated [insert date].

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICY

THIRD PARTY COVERAGE ENDORSEMENT

Section III. DEFINITIONS, R. “**Wrongful Act**”, is amended to add the following paragraph:

Wrongful Act shall also include any actual or alleged act of:

- (1) **Third Party Discrimination**; or
- (2) **Third Party Harassment**.

Section III. DEFINITIONS, is amended to add the following:

- T. “**Third Party**” means any person(s) with whom an **Insured** in their capacity as such interacts while the **Insured** is performing duties related to the conduct of the **Organization’s** business.
- U. “**Third Party Discrimination**” means discrimination by an **Insured**, in their capacity as such, against a **Third Party** based upon such **Third Party’s** race, religion, age, sex, disability, national origin, sexual orientation or other protected class or characteristic established under applicable federal, state or local statute or ordinance while the **Insured** is performing duties related to the conduct of the **Organization’s** business.
- V. “**Third Party Harassment**” means; sexual harassment including any unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature against a **Third Party**, or other harassment which creates an environment that is hostile, intimidating or offensive to a **Third Party**;

committed or allegedly committed by an **Insured** in their capacity as such while the **Insured** is performing duties related to the conduct of the **Organization’s** business. **Third Party Harassment** shall not include sexual abuse or molestation.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICY

**DEFENSE COSTS WITHIN LIMITS OF LIABILITY
ENDORSEMENT**

It is hereby agreed that Defense Costs shall be a part of and not in addition to the Limits of Liability stated in Item III. of the Policy Declarations. In addition:

Section V. LIMITS OF LIABILITY AND RETENTION, paragraphs A. and B. are deleted and replaced with the following:

- A. The Limit of Liability specified in the Policy Declarations as “in the aggregate” shall be the maximum liability for **Loss and Defense Costs** from all **Claims** to which this Policy applies.
- B. The Limit of Liability specified in the Policy Declarations as the Limit for each **Claim** shall be the maximum liability for **Loss and Defense Costs** for each **Claim** to which this Policy applies.

Section V. LIMITS OF LIABILITY AND RETENTION, paragraph C. is deleted.

Section V. LIMITS OF LIABILITY AND RETENTION, paragraph G. is deleted and replaced with the following:

- G. **Claims** based upon or arising out of the same **Wrongful Act**, interrelated **Wrongful Acts**, or a series of similar or related **Wrongful Acts** shall be considered a single **Claim** and shall be considered first made during the **Policy Period** or Extended Reporting Period, if applicable, in which the earliest **Claim** arising out of such **Wrongful Act(s)** was first made and all **Loss and Defense Costs** for such **Claims** shall be subject to the one Limit of Liability that applies to such earliest **Claim**.

Section VIII. DEFENSE AND SETTLEMENT, paragraphs B. and C. are deleted and replaced with the following:

- B. Except as otherwise provided in this Policy, if a **Claim** is made against an **Insured** for **Loss** that is both covered and uncovered by this Policy, the **Company** will pay one hundred percent (100%) of the **Defense Costs** for the **Claim** until such time that the Limits of Liability of this policy are exhausted by

payment for **Defense Costs** and **Loss** or the **Claim** for the covered **Loss** is resolved by settlement, verdict or summary judgment.

- C. The **Company**, as it deems expedient, has the right to investigate, adjust, defend, appeal and, with the consent of the **Insured**, negotiate the settlement of any **Claim** whether within or above the Retention. If the **Insured** refuses to consent to a settlement recommended by the **Company**, the **Company** is not obligated to pay any **Loss** or defend any **Claim** after the Limit of Liability has been exhausted by **Defense Costs** and **Loss** by settlement or otherwise. The **Company's** obligation to the **Insured** for **Defense Costs** and **Loss** attributable to such **Claim(s)** shall be limited to:
- (1) the amount of the covered **Loss** in excess of the Retention which the **Company** would have paid in settlement at the time the **Insured** first refused to settle;
 - (2) plus covered **Defense Costs** incurred up to the date the **Insured** first refused to settle;
 - (3) plus seventy five percent (75%) of covered **Loss** and **Defense Costs** in excess of the first settlement amount recommended by the **Company** to which the **Insured** did not consent.

It is understood that payment of (1), (2) and (3) above is the limit of the **Company's** liability under this Policy for any **Claim** in which the **Insured** fails or refuses to consent to the **Company's** settlement recommendation, subject at all times to the Limits of Liability and Retention provisions of this Policy. The remaining twenty five percent (25%) of **Loss** and **Defense Costs** in excess of the amount referenced in (1) and (2) above shall be the obligation of the **Insured**.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICY

DOWNSIZING/REORGANIZATION EXCLUSION ENDORSEMENT

It is hereby agreed that the following exclusion is added to section IV. EXCLUSIONS:

downsizing or reduction of the Organization's workforce by [Insert %]% or more
within a 90 day period

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.