

# HOUSTON CASUALTY COMPANY

## Houston, Texas

**NOTICE: THIS IS A CLAIMS MADE POLICY WHICH APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR, IF APPLICABLE, THE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED, AND MAY BE EXHAUSTED, BY THE PAYMENT OF DEFENSE COSTS. THE INSURER HAS NO DUTY UNDER THE POLICY TO DEFEND ANY INSURED.**

**COVERAGE APPLIES ONLY UNDER EACH INSURING AGREEMENT PURCHASED, AS INDICATED IN ITEM 4 OF THE DECLARATIONS.**

**PLEASE READ THE ENTIRE POLICY CAREFULLY.**

In consideration of the payment of premium, and in reliance upon the statements made in the **Application**, including attachments, all of which are made a part hereof and deemed attached hereto, and subject to the Declarations and the limitations, conditions, provisions, any endorsements to and all other terms of this Policy, the Insurer and the **Insureds** agree as follows:

### **I. INSURING AGREEMENTS**

#### **A. Investment Adviser Professional Liability**

The Insurer shall pay on behalf of the **Investment Advisers** and their **Individual Insureds** all **Loss** which they become legally obligated to pay because of a **Claim** first made against them during the **Policy Period** or the Extended Reporting Period, if applicable, for any **Wrongful Act** committed or allegedly committed prior to the end of the **Policy Period**, but solely in rendering or failing to render **Investment Advisory Services**.

#### **B. Mutual Fund Professional and Directors & Officers Liability**

The Insurer shall pay on behalf of the **Funds** and their **Individual Insureds** all **Loss** which they become legally obligated to pay because of a **Claim** first made against them during the **Policy Period** or the Extended Reporting Period, if applicable, for any **Wrongful Act** committed or allegedly committed prior to the end of the **Policy Period**, but solely in the course of the management or operations of the **Funds**.

#### **C. Service Provider Professional Liability**

The Insurer shall pay on behalf of the **Service Providers** and their **Individual Insureds** all **Loss** which they become legally obligated to pay because of a **Claim** first made against them during the **Policy Period** or the Extended Reporting Period, if applicable, for any **Wrongful Act** committed or allegedly committed prior to the end of the **Policy Period**, but

solely in rendering or failing to render **Professional Services** in the course of the **Entity Insured's** business as a **Service Provider**.

**D. Directors & Officers Liability, Including Entity Coverage**

The Insurer shall pay on behalf of the **Entity Insureds** and their **Executive Insureds** all **Loss** which they become legally obligated to pay because of a **Claim** first made against them during the **Policy Period** or the Extended Reporting Period, if applicable, for any **Wrongful Act** committed or allegedly committed prior to the end of the **Policy Period**, other than **Claims** that would be covered under Insuring Agreements A, B or C, regardless of whether any of those coverages have been purchased.

**II. DEFINITIONS**

**A. Application** means all signed applications and any attachments and materials submitted therewith for this Policy and for any policy in an uninterrupted series of policies issued by the Insurer or any Affiliate of the Insurer of which this Policy is a renewal or replacement. All such applications, attachments and materials are deemed attached to and incorporated into this Policy. For purposes of this Definition A, "Affiliate of the Insurer" means an insurer controlling, controlled by or under common control with the Insurer.

**B. Claim** means:

1. a written demand for monetary damages received by an **Insured**;
2. any investigation initiated against an **Insured** by the filing of a notice of charge or a formal investigative order;
3. a civil proceeding commenced against an **Insured** by the service of a complaint or similar pleading;
4. a criminal proceeding against an **Insured** commenced by the return of an indictment;

including any appeal from the proceedings identified in paragraphs 3 and 4 above.

**C. Defense Costs** means reasonable and necessary fees, costs and expenses incurred by the **Insured** in the defense of a **Claim**, including the premium for any appeal, attachment or similar bond (although the Insurer shall have no obligation to apply for or provide such bond). **Defense Costs** shall not include regular or overtime wages, salaries, or fees of directors, officers, and employees of the **Insured** or Insurer or fees and expenses of independent adjusters.

**D. Entity Insureds** means the **Named Insured**, the **Funds**, the **Service Providers**, and the **Investment Advisers**.

**E. Executive Insureds** means any past, present or future partner, officer, director or trustee of the **Entity Insureds**.

**F. Funds** means:

1. the investment companies listed in the **Application** for this Policy; and
2. any investment company registered under the Investment Company Act of 1940, and created or sponsored by an **Entity Insured** after the inception date of this Policy, including any portfolio of such investment company, but only for the period set forth in ITEM 8 of the Declarations from the date the securities of such investment company or portfolio are first sold to the public, unless the Insurer in its sole discretion and upon receipt of whatever underwriting information and payment of whatever additional premium it requires, endorses this Policy to extend coverage beyond such period for such investment company or portfolio.

**G. Insured** means the **Entity Insureds** and the **Individual Insureds**.

**H. Individual Insureds** means the following:

1. **Executive Insureds**;
2. any past, present or future employees of the **Entity Insureds**, but solely while providing **Investment Advisory Services** or **Professional Services** on behalf of the **Entity Insured**; and
3. the heirs, executors, administrators, assigns and legal representatives of each of the above persons in the event of their death, incapacity or bankruptcy.

**I. Investment Adviser** means any partnership, trust or corporation identified in the **Application** for this Policy which, for compensation, renders **Investment Advisory Services** to others.

**J. Investment Advisory Services** means financial, economic or investment advice regarding investments and/or investment management services performed or required to be performed for or on behalf of a customer pursuant to an agreement between such customer and the **Investment Adviser** for a fee, commission or other monetary consideration or other remuneration which inures to the benefit of the **Investment Adviser**.

**K. Loss** means **Defense Costs**, monetary judgments and settlements. **Loss** includes punitive or exemplary damages if insurable under state law or the jurisdiction which has a Substantial Relationship to the **Insureds**, the Insurer, this Policy or the **Claim**. For purposes of this Definition K, "Substantial Relationship" means any state or jurisdiction where: (1) the punitive or exemplary damages were awarded or imposed; (2) any **Wrongful Act** underlying the **Claim** was committed; (3) either the Insurer or the **Insured** is incorporated, has its principal place of business or resides; or (4) this Policy was issued or became effective. **Loss** does not include:

1. taxes, fines or penalties imposed by law;
2. the multiple portion of any multiplied damage award;
3. costs incurred as a result of any non-pecuniary or injunctive relief; or
4. matters which are deemed uninsurable by law.

- L. Named Insured** means the entity listed in ITEM 1 of the Declarations.
- M. Policy Period** means the period set forth in ITEM 2 of the Declarations, subject to prior termination or cancellation pursuant to Condition M.
- N. Pollutants** means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or any federal, state, county, municipality or locality counterpart thereof. Such substances include, without limitation, any solid, liquid, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals and Waste Materials. For purposes of this Definition N, "Waste Materials" includes, without limitation, materials to be recycled, reconditioned or reclaimed. **Pollutants** also means any other air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, asbestos fibers or asbestos products, noise and electric or magnetic or electromagnetic field.
- O. Professional Services** means the professional services rendered by any **Service Provider** for other **Insureds** for compensation.
- P. Related Claims** means all **Claims**, whether made against more than one **Insured** or by more than one claimant, arising out of a single **Wrongful Act** or a series of **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes.
- Q. Service Provider** means any partnership, trust or corporation identified in the **Application** for this Policy as a service provider for the **Funds**.
- R. Wrongful Act** means any actual or alleged error, omission, neglect, misstatement or misleading statement or breach of duty unintentionally committed by any **Insured** or by any person for whom the **Entity Insured** is legally liable.

### **III. EXCLUSIONS**

This Policy does not apply to any **Claim**:

- A.** based upon, arising out of or in any way involving any fact, circumstance or situation which has been the subject of any written notice given under any policy of which this Policy is a direct or indirect renewal or replacement or which preceded this Policy;
- B.** based upon, arising out of or in any way involving any act, error or omission which was committed prior to the inception date of this Policy or under any other policy of which this Policy is a renewal, whichever is earlier, if the **Insured** on such date had knowledge of any act, error or omission which could reasonably be expected to result in a **Claim**;
- C.** based upon, arising out of or in any way involving any prior or pending litigation or administrative or regulatory proceeding or investigation against any **Insured** commenced on or before the applicable Prior Litigation Date set forth in ITEM 7 of the Declarations,

- or the same or substantially the same fact, circumstance or situation underlying or alleged therein;
- D.** based upon, arising out of or in any way involving any dishonest, fraudulent, criminal or malicious act or omission or any willful violation of any statute or regulation committed by any **Insured**, if a judgment or other final adjudication adverse to such **Insured** establishes such dishonest, fraudulent, criminal or malicious act or omission or willful violation;
  - E.** based upon, arising out of or in any way involving any **Insured** gaining, in fact, any personal profit, remuneration or advantage to which such **Insured** was not legally entitled;
  - F.** based upon, arising out of or in any way involving an accounting of profits made from the purchase or sale by any **Insured** of securities of an **Entity Insured** within the meaning of Section 16(b) of the Securities Exchange Act of 1934 or amendments thereto or similar provisions of any federal, state or local statutory or common law;
  - G.** brought or maintained by or on behalf of, or in the name or right of, any **Insured** in any capacity except:
    - 1.** any derivative action on behalf of the **Entity Insured** or any shareholder class action, where such **Claim** is brought and maintained by one or more persons who are not **Individual Insureds** and who bring and maintain the **Claim** without the solicitation, assistance or active participation of any **Entity Insured** or any **Individual Insured**;
    - 2.** any **Claim** brought and maintained by an **Individual Insured** for contribution or indemnity, if the **Claim** directly results from another **Claim** covered under this Policy; or
    - 3.** any **Claim** brought and maintained by any **Fund** where, in the opinion of independent legal counsel selected by and at the expense of an **Entity Insured** (selection of such counsel being subject to the approval of the Insurer, such consent not to be unreasonably withheld), the failure to make such **Claim** would result in liability upon the directors, officers, partners, or trustees of the **Fund**, for failure to assert such **Claim**;
  - H.** based upon, arising out of or in any way involving the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 or amendments thereto or similar provisions of any federal, state or local statutory or common law upon fiduciaries of any pension, profit sharing, health and welfare or other employee benefit plan or trust established or maintained for the purpose of providing benefits to employees of any **Entity Insured**;
  - I.** based upon, arising out of or in any way involving bodily injury, mental anguish, emotional distress, sickness, disease or death of any person, or damage to or destruction of any tangible property including loss of use thereof;
  - J.** based upon, arising out of or in any way involving libel or slander or other defamatory or disparaging material or publication or utterance in violation of an individual's right to privacy;

- K.** based upon, arising out of or in any way involving any fees or other compensation, including but not limited to brokerage fees, investment adviser fees and management fees, or the return or reimbursement of any fees or other compensation;
- L.** based upon, arising out of or in any way involving the rendering of or failure to render advice or other services to clients of any **Insured** in connection with any merger, acquisition, restructuring or divestiture; provided, however, this Exclusion L shall not apply to **Loss** under Insuring Agreement A directly resulting from the **Entity Insured's** activities of managing securities portfolios, giving financial advice, or providing investment management services in connection with investing in securities of entities which are involved in a merger, acquisition, restructuring or divestiture, as long as the **Entity Insured** is not a participant in such transaction;
- M.** based upon, arising out of or in any way involving any **Wrongful Act** concerning any **Fund** or portfolio of any **Fund** committed or allegedly committed prior to the date the registration statement for such **Fund** or portfolio was declared effective by the Securities and Exchange Commission or other similar agency or authority in other jurisdictions;
- N.** based upon, arising out of or in any way involving service by any **Individual Insured** in any position or capacity in any organization other than the **Entity Insured**, even if the **Entity Insured** directed or requested the **Individual Insured** to serve in such other position or capacity;
- O.** based upon, arising out of or in any way involving any actual or alleged wrongful dismissal, discharge or termination of employment (whether actual or constructive), discrimination or harassment in employment (whether based upon race, age, sex, national origin, religion, disability, sexual preference or any other classification deemed inappropriate under applicable federal, state or local law), wrongful deprivation of career opportunity, failure to employ or promote, wrongful discipline, negligent evaluation, libel, slander or other defamation, invasion of privacy or loss of consortium, with respect to any present or former employee or applicant for employment;
- P.** based upon, arising out of or in any way involving any breach of contract; provided, however, this Exclusion P shall not apply to any **Claim** for rendering or failing to render **Investment Advisory Services** or **Professional Services**;
- Q.** based upon, arising out of or in any way involving:
1. the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any **Pollutants**; or
  2. any request, demand, order, statutory or regulatory requirement that any **Insured** abate, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate or dispose of or in any way respond to or assess the effects of **Pollutants**; or
- R.** based upon, arising out of or in any way involving any **Insured's** activities as an Underwriter, Broker or Dealer; provided, however, this Exclusion R shall not apply to the underwriting, distribution or resale of securities purchased directly from a **Fund** by a **Service Provider** for resale to any Broker or Dealer. For purposes of this Exclusion R:

“Underwriter” means any person who has purchased from an issuer (which shall include any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, an issuer) with a view to, or offers or sells for an issuer in connection with, the distribution of any security, or participates or has a direct or indirect participation in any such undertaking, or participates or has a participation in the direct or indirect underwriting of any such undertaking, but does not mean a person who merely receives a usual and customary distributors or sellers commission.

“Broker” means any person engaged in the business of effecting transactions in securities for the account of others.

“Dealer” means any person engaged in the business of buying and selling securities for his or her own account, through a broker or otherwise.

No fact pertaining to or knowledge possessed by any **Individual Insured** shall be imputed to any other **Individual Insured** for purposes of applying any Exclusions set forth in this Section III.

#### **IV. LIMIT OF LIABILITY, RETENTION AND RELATED CLAIMS**

##### **A. Limit of Liability**

The amount stated in ITEM 3 of the Declarations shall be the Insurer’s maximum aggregate liability under this Policy for all **Loss** from all **Claims**, regardless of the number of **Claims** or the time of payment by the Insurer.

##### **B. Retention**

The Insurer shall be liable for **Loss** resulting from any **Claim** only in excess of the applicable retention stated in ITEM 5 of the Declarations, and such retention shall be borne by the **Insured** uninsured and at its own risk. Except as provided below, a single retention shall apply to all **Loss** resulting from each **Claim** or all **Related Claims**.

The retention stated in ITEM 5.B of the Declarations as the **Entity Insured’s** retention shall apply to any **Claim** made:

1. against any **Entity Insured(s)**; or
2. against any **Individual Insureds** in which the **Entity Insureds** are permitted or required to indemnify such **Individual Insureds** for **Loss**.

The retention stated in ITEM 5.A of the Declarations as the **Individual Insured’s** retention shall apply to **Individual Insureds** in a **Claim** only if the **Entity Insureds** have not indemnified and are neither permitted nor required by common or statutory law to indemnify the **Individual Insureds** for **Loss** resulting from such **Claim**. In any **Claim** made against one or more **Individual Insureds**, each **Individual Insured** for whose **Loss** the **Entity Insureds** have not indemnified and are neither permitted nor required by common or statutory law to indemnify shall be severally responsible to pay the **Individual Insured’s** retention.

In any **Claim** against both (i) one or more **Individual Insureds** and (ii) one or more **Entity Insureds**, in which the **Entity Insureds** are neither permitted nor required by common or statutory law to indemnify such **Individual Insureds** for **Loss**, the **Entity Insured's** retention shall apply to the **Entity Insureds** and the **Individual Insured's** retention shall apply to the **Individual Insureds**.

In no event shall the total retention payments due from all **Insureds** with respect to each **Claim** exceed the amount of the **Entity Insured's** retention stated in ITEM 5.B of the Declarations.

**C. Related Claims**

All **Related Claims** shall be deemed a single **Claim** and shall be considered first made on the date the earliest such **Related Claim** is first made against an **Insured**, regardless of whether such date is before or during the **Policy Period**.

**V. EXTENDED REPORTING PERIOD**

- A.** If the Insurer cancels or refuses to renew this Policy for reasons other than non-payment of premium, the **Named Insured** shall have the right, upon payment of the additional premium described below, to an extension of the coverage granted by this Policy for the Extended Reporting Period set forth in ITEM 9 of the Declarations following the effective date of such cancellation or non-renewal, but only with respect to **Claims** first made during the Extended Reporting Period for covered **Wrongful Acts** committed prior to the effective date of such cancellation or non-renewal. The rights contained in this section shall lapse unless the Insurer receives written notice of such election, together with the additional premium due, within thirty (30) days after the effective date of such cancellation or non-renewal.

The premium due for the Extended Reporting Period shall equal that percent of the Total Annual Premium set forth in ITEM 9 of the Declarations. For purposes of this provision, "Total Annual Premium" means the sum of the original annualized premium and the fully annualized amount of any additional premiums charged by the Insurer during the **Policy Period**.

All notices and accompanying premium payments must be sent to the attention of the Insurer at the address stated in Condition A.

- B.** The entire premium for the Extended Reporting Period shall be deemed fully earned and non-refundable as of the inception of the Extended Reporting Period. If this Policy is extended by the Extended Reporting Period, such extension shall not in any way increase or reinstate the Insurer's maximum aggregate limit of liability, as set forth in ITEM 3 of the Declarations.

## VI. CONDITIONS

### A. Notice of Claims and Reporting Provisions

#### 1. Notice of Claims

- a. No obligation shall arise on the part of the Insurer under this Policy unless and until the **Insured** gives written notice to the Insurer of a **Claim** as soon as practicable, but in no event later than sixty (60) days after the **Claim** is first made against the **Insured**.
- b. All notices provided for in this Policy shall be in writing and addressed to the Insurer at:

HCC Global Financial Products LLC  
8 Forest Park Drive  
Farmington, CT 06032  
Attention: Claims Manager

Such written notice must include any and all documents received by the **Insured** or by the **Insured's** representatives at the time the **Claim** was first made against the **Insured**.

#### 2. Notice of Circumstances Giving Rise to a Claim

If, during the **Policy Period**, an **Insured** becomes aware of a **Wrongful Act** that could give rise to a **Claim** against an **Insured** and gives written notice to the Insurer prior to the end of the **Policy Period** of the following:

- a. the names of all potential claimants;
- b. the name of each **Insured** that committed such **Wrongful Act**;
- c. a detailed description of such **Wrongful Act**;
- d. the damage which has resulted or may result from such **Wrongful Act**;  
and
- e. the circumstances by which the **Insured** first became aware of such **Wrongful Act**;

then any **Claim** which subsequently arises out of such **Wrongful Act** shall be treated as a **Claim** first made during the **Policy Period**.

### B. Defense and Settlement

It shall be the duty of the **Insureds** and not the duty of the Insurer to defend **Claims** against the **Insureds**. With respect to any Insuring Agreement purchased, the Insurer shall pay, subject to the applicable retention, the **Insureds' Defense Costs** as incurred.

The **Insureds** shall not settle any **Claim**, consent to any judgment, incur any **Defense Costs** or otherwise assume any contractual obligation or admit any liability with respect to

any **Claim** without the Insurer's written consent, which consent shall not be unreasonably withheld. The Insurer shall not be liable for any settlement, **Defense Costs**, assumed obligation or admitted liability to which it has not consented.

The Insurer shall have the right and shall be given the opportunity at all times to associate effectively with the **Insureds** in the investigation, defense and negotiation or settlement of any **Claim** that appears reasonably likely to be covered in whole or in part by this Policy.

The **Insureds** agree to provide the Insurer with all information, assistance and cooperation which the Insurer reasonably requests, and the **Insureds** agree that in the event of a **Claim** they will do nothing that shall prejudice the Insurer's position or its potential or actual rights of recovery.

The Insurer may make any investigation it deems necessary and may, with the written consent of the **Insureds**, settle any **Claim**. The **Insureds** shall not unreasonably withhold such consent.

#### **C. Spouses of Individual Insureds**

The coverage afforded under this Policy will, subject to all of its terms and limitations, conditions and exclusions, be extended to apply to **Loss** resulting from a **Claim** made against a person who, at the time the **Claim** is first made, is a lawful spouse of an **Individual Insured**, but only if:

1. the **Claim** against such spouse results from a **Wrongful Act** actually or allegedly committed by the **Individual Insured** to whom the spouse is married; and
2. such **Individual Insured** and his or her spouse are represented by the same counsel in connection with such **Claim**.

The Insurer shall not be liable under this Condition C to make any payment of **Loss** in connection with any **Claim** against a spouse of an **Individual Insured** for any act, error, omission, neglect, misstatement or misleading statement or breach of duty committed or allegedly committed by such spouse.

#### **D. Other Insurance**

If an **Insured** has other insurance which applies to any **Loss** insured under this Policy, this Policy shall be excess over any other valid and collectible insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written as specific excess insurance over this Policy.

#### **E. Transactions Changing Coverage**

##### **1. Acquisitions, Mergers and Material Changes**

If, during the **Policy Period**, an **Entity Insured**:

- a. creates an Organization or acquires all or substantially all the assets of an Organization, or

- b. merges with an Organization such that the **Entity Insured** is the surviving entity, or
- c. otherwise changes its business as described in the **Application** for this Policy in a manner material to the risk underwritten by the Insurer;

then no coverage shall be afforded under this Policy with respect to the assets acquired by the **Entity Insured**, the **Wrongful Acts** of the Organization merged with or acquired or created by the **Entity Insured**, or the changed business activities of the **Entity Insured**, unless and until:

- (1) the **Insured** provides written notice to the Insurer of the aforementioned event not more than thirty (30) days after the effective date thereof;
- (2) the **Insured** provides the Insurer with such information in connection therewith as the Insurer may deem necessary;
- (3) the **Insured** accepts any special terms, conditions, exclusions or additional premium charged or required by the Insurer; and
- (4) the Insurer in its sole discretion specifically agrees in writing to provide such coverage.

If the Insurer does agree to provide coverage for the newly purchased or created Organization or subsidiary, or the **Entity Insured's** changed business activities, such coverage shall be limited to **Wrongful Acts** first committed after the effective date of the aforementioned event.

For purposes of this Condition E, "Organization" means any corporation, trust, partnership or other entity not identified as an **Entity Insured**.

## 2. **Conversion to Run-Off in Event of Certain Transactions**

- a. If, during the **Policy Period**, there shall occur a change in control of any **Investment Adviser**, then coverage under this Policy shall continue until the expiration date of this Policy or the Extended Reporting Period, if applicable, but shall not apply to **Wrongful Acts** committed or allegedly committed by such **Investment Adviser** or its **Individual Insureds** after such change in control.
- b. If, during the **Policy Period**, there shall be a change in the majority of the **Executive Insureds** of any **Fund**, or if any **Fund** shall cease to exist, terminate operations or be liquidated, or if any **Fund** shall be merged, consolidated or otherwise combined with another entity, or if any **Investment Adviser** or **Service Provider** of any **Fund** ceases to act as such (each an "Event"), then coverage shall continue until the expiration date of this Policy or the Extended Reporting Period, if applicable, but shall not apply to **Wrongful Acts** committed or allegedly committed after such Event with respect to such **Fund**.
- c. If, during the **Policy Period**:

- i. the **Named Insured** merges into or consolidates with another organization, or sells all or substantially all of its assets to any other person, organization, or group of persons or organizations acting in concert; or
- ii. another organization or person, or group of organizations or persons acting in concert, acquires securities or voting rights which result in ownership or voting control by such organization(s) or person(s) of more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of directors of the **Named Insured**;

then coverage shall continue until the expiration date of this Policy or the Extended Reporting Period, if applicable, but shall not apply to **Wrongful Acts** committed or allegedly committed after such merger, consolidation, sale or acquisition.

#### **F. Application**

By acceptance of this Policy, the **Insureds** agree that the statements in the **Application** are true and correct representations, that each such representation shall be deemed material, that this Policy is issued in reliance upon the truth of such representations, and that this Policy embodies all agreements existing between the **Insureds** and the Insurer (and/or its representatives), in connection with this Policy.

In the event the **Application** contains any misrepresentation:

1. made with the intent to deceive, or
2. which materially affects either the acceptance of the risk or the hazard assumed by the Insurer under this Policy;

the Policy shall be void and of no effect whatsoever as to any of the **Individual Insureds** who are responsible for or who had knowledge of such misrepresentation. Such responsibility or knowledge shall not be imputed to any other **Individual Insureds** for the purposes of determining the availability of coverage.

#### **G. Territory**

This Policy applies to **Wrongful Acts** actually or allegedly committed or **Claims** made anywhere in the world.

#### **H. Changes**

Notices to any agent or knowledge possessed by any agent shall not effect a waiver or a change in any part of this Policy or prevent the Insurer from asserting any rights under the terms of this Policy, nor shall the terms of this Policy be waived or changed, unless endorsed hereon.

#### **I. Action Against the Insurer**

No action shall be taken against the Insurer unless, as a condition precedent thereto, the **Insured** shall have fully complied with all the terms of this Policy, nor 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 and the Insurer. Any person or organization or the legal representative thereof who has secured a judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or organization shall have any right under this Policy to join the Insurer in any action against the **Insured** to determine the **Insured's** liability, nor shall the Insurer be impleaded by the **Insureds** or their legal representatives.

**J. Assignment of Interest**

No assignment of interest under this Policy shall be binding on the Insurer unless its consent is endorsed hereon.

**K. Bankruptcy or Insolvency**

Bankruptcy or insolvency of the **Insured** or the **Insured's** estate shall not relieve the Insurer of any of its obligations under this Policy. In the event of bankruptcy or insolvency of the **Insured**, the Insurer shall have the right to assert any appropriate claim or demand in such proceedings for payment of any obligations of the **Insured**, including but not limited to any amounts which the Insurer may have advanced on behalf of the **Insured** within the applicable retention.

**L. Subrogation**

In the event of any payment under this Policy, the Insurer shall be subrogated to all the **Insured's** rights of recovery thereof and the **Insured** shall execute and deliver all instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after loss to waive or prejudice such rights. Any amounts recovered in excess of the Insurer's total payment shall be paid to the **Insureds**, less the Insurer's costs of recovery.

**M. Cancellation or Non-Renewal**

1. The Insurer may cancel this Policy for non-payment of premium by sending not less than ten (10) days notice to the **Named Insured** at its last known address. The Insurer may not otherwise cancel this Policy.
2. The **Named Insured** may cancel this Policy by mailing the Insurer written notice stating when thereafter such cancellation will be effective; provided, however, the **Named Insured** may not cancel this Policy after the effective date of any acquisition of the **Named Insured** as described in Condition E.2.c. If the **Named Insured** cancels this Policy, the Insurer shall retain the customary short rate premium. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment of unearned premium is not a condition of cancellation.

3. If the Insurer elects not to renew this Policy, the Insurer must give the **Named Insured** notice of non-renewal no less than sixty (60) days before the end of the **Policy Period**.
4. If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period will be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

**N. Authorization Clause**

By acceptance of this Policy, the **Named Insured** shall act of behalf of the **Insureds** for all purposes, including but not limited to the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this Policy, and giving and receiving notice of cancellation, termination or non-renewal.

**O. Entire Agreement**

By acceptance of this Policy, the **Insureds** and the Insurer agree that this Policy (including the **Application**) and any written endorsements attached hereto constitute the entire agreement between the parties with respect to this insurance.


**P. Conformity to Statute**

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

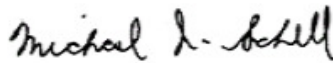
**Q. Titles and Headings**

The titles and headings to the various paragraphs and sections in this Policy, including endorsements attached, are included solely for ease of reference and do not in any way limit, expand or otherwise affect the provisions of such paragraphs and sections to which they relate.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President and Secretary, but this Policy shall not be valid unless countersigned on the Declarations Page by a duly authorized representative of the Insurer.



Secretary



President