



IMPORTANT NOTE: THIS IS CLAIMS MADE AND REPORTED COVERAGE. PLEASE READ THIS POLICY CAREFULLY.

THIS POLICY IS WRITTEN ON A CLAIMS MADE AND REPORTED BASIS. TO BE COVERED, A CLAIM OR SUIT MUST BE FIRST MADE OR BROUGHT AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD, OR SIXTY (60) DAYS THEREAFTER, OR DURING AN EXTENDED REPORTING PERIOD IF APPLICABLE. THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY AMOUNTS INCURRED AS CLAIM EXPENSES. DEDUCTIBLES APPLY TO CLAIM EXPENSES. PLEASE REVIEW THE POLICY THOROUGHLY.

This policy is organized into the following sections:

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**ONEBEACON INSURANCE COMPANY
LAWYERS' PROFESSIONAL LIABILITY POLICY**

This policy provides professional liability insurance for **your** law firm. The terms **we**, **us**, and **our** refer to OneBeacon Insurance Company, the company issuing this policy. The terms **you** and **your** refer to those persons or legal entities insured by this policy. The **named insured**, an entity incorporated within the terms **you** and **your**, has special duties and responsibilities which are described in the policy.

In consideration of the premium paid, **your** obligation to pay the deductible, and in reliance upon the statements made by the **named insured** in the application and supplementary information provided by the **named insured**, and subject to the limits of liability as stated in the Declarations, and the exclusions and all other terms and conditions of this policy, **we** and the **named insured** agree as follows:

I. INSURING AGREEMENT

A. **We** agree to pay on **your** behalf all **damages** in excess of the deductible amount and up to the limits of liability stated in the Declarations provided such **damages**:

1. result from **claims**:

- a) first made against **you** during the **policy period** and reported to **us** in writing during the **policy period** or within sixty (60) days thereafter; or
- b) first made against **you** and reported to **us** in writing during any applicable Extended Reporting Period; and

2. are caused by a **wrongful act** which takes place before or during the **policy period** and after the retroactive date shown on the Declarations.

B. If a **disciplinary proceeding** is brought against **you**, **we** will pay on **your** behalf reasonable costs that **you** incur in the defense of such matter. Any payments made in connection with a **disciplinary proceeding** will be in addition to the limits of liability set forth in the Declarations.

The most **we** will pay for any one **disciplinary proceeding** is \$25,000.

The most **we** will pay during the **policy period** or any Extended Reporting Period, if applicable, for all **disciplinary proceedings** is \$100,000 in the aggregate.

We will waive **your** deductible with respect to payments by **us** for **disciplinary proceedings**.

II. LIMITS OF LIABILITY

A. Limits of Liability – Each Claim

The most **we** will pay for **damages** and/or **claim expenses** for each **claim** covered by this policy is specified as “each claim” in the limits of liability section of the Declarations and is subject always to the amount specified as “aggregate” in the limits of liability section of the Declarations.

B. Limits of Liability – Aggregate

The most **we** will pay for **damages** and/or **claim expenses** for all **claims** covered by this policy is specified as “aggregate” in the limits of liability section of the Declarations.

C. If **we** issue two or more policies of Lawyers' Professional Liability Insurance to any of **you** that apply to the same **claim** or **claims** for which **you** are jointly and severally responsible, **we** will not be responsible under this policy for a greater proportion of such **damages** and **claim expenses** than **our** liability under this policy bears to **our** total liability under all applicable valid and collectible insurance issued by **us**, provided that **we** will not pay on behalf of **you** any sum that exceeds the limit of liability of that policy issued by **us** which has the highest applicable limit of liability.

III. DEDUCTIBLES

A. The deductible amount stated in the Declarations is applicable to all **damages** and **claim expenses**, for each and every **claim** and will be

paid by **you** as a condition precedent to payment of any **damages** and **claim expenses** by **us**. Each person insured is responsible for the deductible. **You** must pay such deductible for each and every **claim** within thirty (30) days of **our** written request regardless of the number of **claims** covered by this policy.

- B. Multiple Policy Deductibles - If **we** issue two or more policies of Lawyers' Professional Liability Insurance covering **you** that apply to the same **claim** or **claims** for which **you** are jointly and severally responsible, the applicability of deductibles will be determined in the same manner as the limits of liability are determined per Section II. C., Limits of Liability, above.

IV. DUTY TO DEFEND

- A. **We** have the right and duty to defend any **claim** against **you** seeking **damages** to which this insurance applies, even if any of the allegations of the suit are groundless, false or fraudulent. This policy has a provision whereby **we** will pay on **your** behalf certain costs **you** incur as a result of defending a **disciplinary proceeding** against **you**; however **we** have no duty to defend **you** in a **disciplinary proceeding**.
- B. **We** have the right to make any investigation **we** deem necessary and, with **your** written consent, make any settlement of any **claim** covered by the terms of this policy. If **you** refuse to consent to any settlement or compromise recommended by **us** and acceptable

to the claimant and **you** elect to contest the **claim** or continue legal proceedings in connection with such **claim**, then **our** liability under this policy will be limited to the amount for which the **claim** could have been settled, including the **claim expenses** up to the date of **your** refusal. **We** will have no liability for **claim expenses** incurred thereafter and will have the right to withdraw from the further investigation and/or defense thereof by tendering control of such investigation or defense to **you**, and **you** agree, as a condition of the issuance of this policy, to accept such tender.

- C. **You** will not assume any obligations, incur any costs, charges, or expenses or enter into any settlement without **our** consent.
- D. **We** will not be obligated to pay **damages** or **claim expenses** or to defend, or continue to defend, any **claim** after the applicable limit of **our** liability has been exhausted by payments of **damages** or **claim expenses**.

V. DEFINITIONS – Whenever used in this policy:

- A. **Bodily injury** means physical injury, sickness, disease or death of any person.
- B. **Claim** means:
1. a demand received by **you** for money or services, including the service of a lawsuit or institution of arbitration proceedings or filing of any other **claim** against **you**, alleging a **wrongful act** as defined in this policy;
 2. a written request received by

you to toll or waive a statute of limitations relating to a **potential claim**; or

3. a **disciplinary proceeding**.

C. Claim expenses means:

1. reasonable and necessary fees and expenses charged by any lawyer designated or approved by **us**;
2. all other reasonable and necessary fees and expenses, resulting from the investigation, adjustment and defense of a **claim** if **we** incur or consent to those expenses;
3. all costs allocated to **you** in suits or proceedings and all interest which accrues after the entry of any judgment and before **we** have paid, tendered or deposited, whether in court or otherwise, but only as respects that part of the judgment which is covered by this policy; and
4. premiums on appeal bonds, in an amount not to exceed **our** limits of liability, which are required for the appeal of a covered **claim**. **We** have no obligation to apply for, guarantee or furnish any such bonds.

Our determination as to the reasonableness of the **claim expenses** is conclusive. **Claim expenses** do not include salaries and expenses of either **your** or **our** regular employees or officials.

D. Controlled enterprise means any business enterprise (other than the **named insured** entity or a business enterprise in which the ownership,

control, operation or management by **you** is exclusively in a fiduciary capacity as an administrator, conservator, executor, trustee, guardian, receiver or committee or in a similar fiduciary capacity incidental to the practice of law by **you**) if at the time the **wrongful act** occurs:

1. such business enterprise is a publicly traded entity and five percent (5%) or more of its issued and outstanding securities or voting rights to elect or appoint a board of directors or an equivalent governing body is owned or controlled, individually or collectively, by one or more of **you** or **your** lawful spouses;
2. such business enterprise is not a publicly traded entity and twenty-five percent (25%) or more of the legal, beneficial and/or equitable ownership of such enterprise is owned or controlled, individually or collectively, by one or more of **you** or **your** lawful spouses; or
3. such business enterprise is controlled, operated or managed by one or more of **you** unless such entity appears in the Declarations or an endorsement as a **named insured** or additional insured under the policy.

E. Damages means a monetary judgment or settlement, including any such judgment or settlement for **personal injury**, but does not include:

1. any fines, statutory penalties or sanctions, whether imposed by

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- law or otherwise;
 2. the return of or restitution of legal fees, costs and expenses;
 3. the multiplied portion of multiplied damages;
 4. amounts which may be deemed uninsurable under applicable law; or
 5. amounts awarded pursuant to an injunction or other equitable order.
- F. **Disciplinary proceeding** means a proceeding before a bar association, disciplinary board or similar entity or official to determine violations of disciplinary rules or rules of professional conduct, professional misconduct or other matters relating to attorney licensing and discipline. This will not include charges or actions filed with a regulatory agency or official, including, without limitation, the Securities and Exchange Commission, the U.S. Patent & Trademark Office or the Internal Revenue Service.
- G. **Named insured** means the person or entity designated in the Declarations and any **predecessor** of such entity.
- H. **Personal injury** means:
1. false arrest, humiliation, detention or imprisonment, wrongful entry, eviction or other invasion of private occupancy, abusive litigation, abuse of process, malicious prosecution;
 2. the publication or utterance of a libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of any individual's right of privacy; or
 3. injury arising out of an offense in the course of the **named insured's** advertising activities, including, but not limited to, infringement of copyright, trademark, trade dress, trade names, service mark or service number.
- I. **Policy period** means the period from the inception date of this policy to the policy expiration date as set forth in the Declarations or its earlier termination date, if any.
- Any extension of the **policy period** will not result in an increase or reinstatement of the limit of liability. If the **policy period** is extended beyond its original expiration date, the period of the extension will be part of the **policy period** which would have ended on the original expiration.
- J. **Potential claim** means:
1. any **wrongful act** which might reasonably be expected to give rise to a **claim** against **you** under the policy; or
 2. any breach of duty to a client or third party, which has not resulted in a **claim** against any of **you**.
- K. **Predecessor** means an individual or entity engaged in the practice of law whose financial assets and liabilities the **named insured** is the majority successor in interest.
- L. **Professional legal services** means services and activities performed for others in **your** capacity as:
1. a lawyer;
 2. a notary public;

3. an arbitrator or mediator;
4. a title insurance agent;
5. a designated issuing lawyer to a title insurance company;
6. a court-appointed fiduciary;
7. a government affairs advisor or lobbyist;
8. a member of a bar association, ethics, peer review, formal accreditation or licensing, or similar professional boards or committees;
9. an author, strictly in the publication or presentation of research papers or similar materials and only if the fees generated from such work are not greater than ten thousand dollars (\$10,000); or
10. an administrator, conservator, receiver, executor, guardian, or any similar fiduciary capacity, or court-appointed trustee; however no coverage will apply to any loss sustained by **you** as the beneficiary, recipient or distributee of any trust or estate.

Any other services performed by **you** in a lawyer-client relationship on behalf of one or more clients, are considered **professional legal services**, even though such services could be performed wholly or in part by non-lawyers. However, **professional legal services** do not include the provision of any financial or investment advice.

- M. **Totally and permanently disabled** means that **you** have become so disabled as to be wholly prevented from rendering **professional legal services** in **your** capacity as a

lawyer provided such disability has existed continuously for not less than six (6) months and is expected to be continuous and permanent.

Totally and permanently disabled does not include any condition which:

1. is the result of war or acts of war, whether or not declared;
2. occurred during active service in the armed forces of any country; or
3. results from:
 - a) intentionally self-inflicted injuries;
 - b) attempted suicide; or
 - c) the abuse or misuse of chemical compounds or alcohol.

- N. **We, us, our** and **ours** refer to OneBeacon Insurance Company, the company issuing this policy.

- O. **Wrongful act** means any actual or alleged act, error, omission or breach of duty arising out of the rendering or the failure to render **professional legal services**. **Wrongful act** also means **personal injury** arising out of **your** conduct relating to the delivery of **professional legal services**.

- P. **You** means:
1. the **named insured** and any **predecessor** of such entity;
 2. any lawyer who is or becomes a past or present partner, officer, director, stockholder, shareholder or employee of the **named insured**, but only while performing **professional legal services** on behalf of it;
 3. **your** lawful spouse, but only with respect to loss resulting from **professional legal services**

- of the **named insured**;
4. any lawyer acting as "of counsel" but only while performing **professional legal services** on behalf of the **named insured**;
 5. any lawyer listed in the **named insured's** Prior Acts Schedule who is a partner, officer, director, stockholder, shareholder or employee of the **named insured** at the time the **claim** is made, but only as respects **professional legal services** rendered by such lawyer while associated with a prior firm;
 6. any non-lawyer employee or independent contractor of the **named insured**, but only as respects **professional legal services** rendered on behalf of the **named insured**; and
 7. the estate, heirs, executors, administrators, assigns and legal representatives of each of **you** in the event of **your** death, incapacity, insolvency or bankruptcy, but only to the extent that **you** would otherwise be provided coverage under this policy.

Q. **Your** means belonging to **you**.

VI. EXTENDED REPORTING PERIODS

- A. Optional Extended Reporting Period
1. Cancellation or Nonrenewal
 - a) If the **named insured** or **we** cancel or non-renew this policy, then the **named insured**, upon payment of an additional premium as set forth in the Declarations, will have the option to extend

the insurance afforded by this policy for a specific time period, subject otherwise to its terms, limits of liability, exclusions and conditions, to apply to **claims** first made against **you** immediately following the effective date of such nonrenewal or cancellation. However, this extension of coverage will only apply to **wrongful acts** occurring before such effective date and otherwise covered by this insurance.

A specific extension period must be elected by the **named insured**. Extension period options are listed in the Declarations with an additional premium set forth opposite each option. The additional premiums charged will be a percentage of the full annual premium of this policy, less any return premium owed because of cancellation, plus any premium owed **us** for this policy.

- b) The Optional Extended Reporting Period is not available if any one of **your** licenses or right to practice **your** profession is revoked, suspended by or surrendered at the request of any regulatory or judicial authority.
2. Optional Extended Reporting Period Limits of Liability
 - a) If **we** offer to renew the policy and the **named**

insured refuses to accept such renewal offer, then **our** limit of liability for **claims** reported during the Optional Extended Reporting Period will be reinstated to the limit of liability set forth in the Declarations. Otherwise, the following provisions will apply:

- (1) **Insured Three or More Years**. If, upon the effective date of cancellation or nonrenewal, **we** have provided this insurance to the **named insured** continually for three (3) or more years, the aggregate limit of liability for the Optional Extended Reporting Period will be equal to 100% of the aggregate limit of liability stated in the Declarations.
- (2) **Insured Less Than Three Years**. If, upon the effective date of such cancellation or nonrenewal, **we** have provided this insurance to the **named insured** continually for less than three (3) years, the aggregate limit of liability for the Optional Extended Reporting Period will be equal to the greater of the amount of coverage remaining in such policy's aggregate limit or fifty percent (50%)

of the aggregate limit of liability stated in the Declarations.

- b) If other insurance exists which covers **claims** first made during the Optional Extended Reporting Period, then coverage provided under this policy for any Optional Extended Reporting Period applies in excess of such other insurance.

3. Electing the Optional Extended Reporting Period

- a) As a condition precedent to the **named insured's** right to elect the Optional Extended Reporting Period, any and all premium and deductibles that are due must have been paid and **you** must have complied with all other terms and conditions of this policy.
- b) The **named insured's** right to elect the Optional Extended Reporting Period must be exercised by notice in writing not later than sixty (60) days after the effective date of the nonrenewal or cancellation of this policy. Such notice by the **named insured** must indicate the total extension period desired and must include payment of premium for such extension period. The **named insured** may not change the option selected once that selection has been made. At the commencement of the Optional Extended Reporting

Period, the entire premium will be deemed earned. The Optional Extended Reporting Period is non-cancelable.

- c) If such conditions precedent are not satisfied or if such notice is not timely given to **us**, the **named insured** will not at a later date be able to exercise such right. In the event **you** become aware of a **claim** against **you** during the **policy period** but do not report such **claim** to **us** until the Optional Extended Reporting Period, if purchased, such **claim** will be deemed to have been made and reported during the **policy period**.

B. Nonpracticing Extended Reporting Period

1. Eligibility:

- a) The provisions of this subsection entitled "Nonpracticing Extended Reporting Period" apply to each of **you** as individual lawyers, but not to lawyers acting as "of counsel", as independent contractors, or lawyers contracting on a *per diem* basis.
- b) If **you** retire or otherwise cease the private practice of law during the **policy period**, then **you** have the option to extend the insurance afforded by this policy subject otherwise to its terms, limits of liability, exclusions and conditions, to apply to **claims** first made against **you** immediately

following the date of the expiration of this policy or the effective date of this policy's cancellation, if sooner, but only by reason of a **wrongful act** committed by **you** before **your** date of retirement or termination of private practice and otherwise covered by this insurance, provided there is no other insurance in effect on or after **your** date of retirement or termination of practice which covers **you** for such liability or **claim**.

2. A specific Nonpracticing Extended Reporting Period must be elected by **you**. For each Nonpracticing Extended Reporting Period elected, the premium is:

- a) A percentage of the full annual premium of this policy as shown in the Declarations on a per insured lawyer basis.
- b) **We** will waive the premium for the Nonpracticing Extended Reporting Period if **you**:
- (1) die, except by suicide;
or
 - (2) become **totally and permanently disabled**;
or
 - (3) retire or otherwise cease the private practice of law during the **policy period** and have been insured by **us** under a Lawyers' Professional Liability Policy continuously for

- the last three (3) full years.
- c) The deductible amount and deductible provisions of this policy will be waived with respect to **claims** first made against **you** during the Nonpracticing Extended Reporting Period, if elected by **you**.
3. Nonpracticing Extended Reporting Period Limits of Liability
- a) The limits of liability stated in the Declarations will be reinstated for **claims** first made against **you** during the Nonpracticing Extended Reporting Period, if elected by **you**.
However, regardless of the number of Nonpracticing Extended Reporting Periods purchased, **our** liability will not exceed the limits of liability set forth in the Declarations.
 - b) If other insurance exists which covers **claims** first made during the Nonpracticing Extended Reporting Period, the coverage provided under this policy for the Nonpracticing Extended Reporting Period will apply in excess of such insurance.
4. Electing the Nonpracticing Extended Reporting Period
- a) As a condition precedent to the **named insured's** right to elect the Nonpracticing Extended Reporting Period, any and all premium and deductibles that are due must have been paid and **you** must have complied with all other terms and conditions of this policy.
 - b) The Nonpracticing Extended Reporting Period will not be available if **you** are disbarred, suspended or resign in lieu of suspension in any state or court where **you** have a license or have a right to practice.
 - c) **Your** right to elect the Nonpracticing Extended Reporting Period must be exercised by notice in writing not later than sixty (60) days after the date of the expiration of this policy or the effective date of this policy's termination, if sooner. Such notice must indicate the total extension period desired and must include payment of premium, if any, for such Nonpracticing Extended Reporting Period. **You** may not change the option elected once that election has been made.

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- d) If such conditions precedent are not satisfied on the effective date of such nonrenewal or cancellation or if such notice is not timely given to **us, you** will not at a later date be able to exercise such right.

VII. EXCLUSIONS - This policy does not apply to:

- A. any **claim** arising out of a **wrongful act** occurring prior to the **policy period** if, prior to the effective date of the first Lawyers' Professional Liability Insurance Policy issued by **us** to the **named insured** and continuously renewed and maintained in effect to the inception of this **policy period**:
 1. **you** gave notice to any prior insurer of any such **claim** or **wrongful act**;
 2. **you** had a reasonable basis to believe that **you** had committed a **wrongful act**, violated a disciplinary rule, or engaged in professional misconduct;
 3. **you** could foresee that a **claim** would be made against **you**; or
 4. there is a prior policy or policies which provide insurance for such **wrongful act** or **claim**, unless the available limits of liability of such prior policy or policies are insufficient to pay any liability or **claim**, in which event this policy will be excess over any such prior coverage, subject to this policy's terms, limits of liability, exclusions and conditions.

- B. any intentional, criminal, dishonest, malicious or fraudulent act, error, omission or **personal injury**, notwithstanding Section V. Definitions, sub-section H. **Personal Injury**, as evidenced by:

1. any written statement or written document by **you**; or
2. any judgment or ruling in any judicial, administrative or alternative dispute resolution.

This exclusion does not apply to any of **you** who did not commit, did not participate in committing, or who did not remain passive after learning about one or more of the acts or omissions described in this exclusion; however, **our** obligation to provide coverage in any such case will be excess of the full extent of any assets in the **named insured**, or monetary value attributed to such assets, of anyone to whom this exclusion applies.

- C. **claims** arising out of:
 1. **your** services and/or capacity as an officer, director, partner, owner, trustee or employee of a corporation, partnership, association, trust or fund (including a pension, welfare, profit sharing, mutual or investment fund or trust) or any other business enterprise or charitable organization of any kind or nature other than that of the **named insured**, except that this exclusion does not apply to a court appointed trustee;
 2. any **professional legal services** rendered or that should have been rendered to or on behalf of a **controlled business enterprise**;

3. **your** services as a public official, or an employee of a governmental body, subdivision, or agency; or
 4. any violation or breach by **you** of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, the amendments thereto, or any similar provision of any federal, state or local statute, regulation or ordinance or common law.
- D. **claims for bodily injury**, mental anguish, emotional distress (except for mental anguish and emotional distress resulting from **personal injury**), sickness, disease or death of any person or damage to, destruction of or loss of any property (including software, data or other information in electronic form). This exclusion does not apply to any **claim** directly arising out of **professional legal services**.
- E. any **claim** made by any **named insured** or insured against one another; however, this exclusion does not apply if the **claim** arises out of an attorney/client relationship between **you**.

VIII. POLICY TERRITORY

This policy applies to **wrongful acts** occurring anywhere in the world but

only if the **claim** is made or the suit is instituted against **you** within the United States of America, its territories or possessions, or Canada.

IX. REPORTING OF CLAIMS AND WRONGFUL ACTS

A. Notice of Claims

1. **You** must give **us** written notice of any **claim(s)** made against **you** or **potential claim(s)** as soon as practicable. In the event a lawsuit or arbitration claim is brought against **you**, **you** must immediately forward to **us** every demand, notice, summons, complaint or other process received directly or by **your** representatives. Written notice of any **claim** against **you**, as well as of each demand on or actions against **us**, must be delivered to **us**.

Written notice of any **claim** against **you** or **potential claim**, as well as of each demand on or action against **us** will be delivered to **us** addressed as follows:

Chief Claims Officer
Claim Department
OneBeacon Insurance
30 Tower Lane
Avon, CT 06001
Facsimile: 1.888.777.3719

2. Whenever coverage under this policy would be excluded, suspended or lost because of noncompliance with this Section entitled Reporting of Claims and Wrongful Acts, **we** agree to waive this exclusion, suspension or loss of coverage with respect

to each of **you** who did not personally fail to comply, did not participate in failing to comply, or did not remain passive after learning about noncompliance with the requirements of this Section.

B. Discovery Clause

If **you** first become aware during the **policy period** or any Extended Reporting Period, if applicable, of a **wrongful act** or **potential claim** for which coverage is otherwise provided hereunder, and if **you**, during the **policy period** or any Extended Reporting Period, if applicable, give written notice to **us** of:

1. the specific **wrongful act**;
and
2. the injury or **damage** which has resulted from such **wrongful act**;

then any **claim** that may subsequently be made against **you** arising out of such **wrongful act** will be deemed for the purposes of this insurance to have been made during the **policy period** or any Extended Reporting Period, if applicable.

C. Your Assistance and Cooperation

1. **You** must cooperate with **us** and assist **us** in investigating and defending any claim or potential claim. Upon **our** request, **you** must submit to examination and interrogation by **our** representatives, under oath if required, and **you** must attend hearings, depositions and trials, and assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in

the conduct of suits and other proceedings, as well as in the giving of a written statement or statements to **our** representatives including investigating and coverage counsel, and meeting with such representatives for the purpose of investigation including the investigation of coverage issues and/or defense, all without charge to **us**. **You** must further cooperate with **us** and do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment which **you** may have. **You** must not, except at **your** own cost, make payment, admit any liability, settle any **claims**, assume any obligation or incur any expense, without **our** prior written consent.

2. If **we** request in writing that **you** attend a trial, hearing or arbitration proceeding pursuant to the resolution of **claim**, **we** will pay **you** up to \$500 for **your** attendance each day or part thereof. The most **we** will pay under this subsection is \$10,000 each **claim** and \$50,000 in the aggregate for all **claims** made during the **policy period** or an Extended Reporting Period, if applicable. Any payment made pursuant to this subsection will be in addition to the limits of liability set forth in the Declarations.

D. False or Fraudulent Claims.

If **you** commit fraud in proffering any **claim** under this policy, the insurance provided under this policy

will become void as to **you** who proffered such **claim** from the date such fraudulent **claim** is proffered.

X. CONDITIONS

A. Action Against Us

No action can be brought against **us** unless, as a condition precedent, **you** have fully complied with all the terms of this policy, and the amount of **your** obligation to pay has been fully and finally determined either by judgment against **you** after actual trial or by written agreement of **you**, the claimant and **us**. Nothing contained in this policy gives any person or organization the right to join **us** as co-defendant in any action against **you** to determine **your** liability. Bankruptcy or insolvency of **you** or of **your** estate will not relieve **us** of any of **our** obligations nor deprive **us** of any of **our** rights under this policy.

B. Application

By acceptance of this policy, **you** agree that the statements made in the application are personal representations, that they are material and that this policy is issued in reliance upon such representations. This policy represents all agreements existing between **you** and **us**, or any of **our** agents, relating to this insurance.

C. Assignment

Neither this policy nor **your** interest in this policy may be assigned without **our** written consent.

D. Cancellation/Nonrenewal

1. Cancellation

The **named insured** may cancel

this policy by surrendering it to **us** or by mailing to **us** written notice stating when cancellation will be effective. If cancelled by the **named insured**, **we** will retain the customary short rate portion of the premium.

This policy may be cancelled by **us** by mailing to the **named insured** written notice stating when, not less than thirty (30) days thereafter, such cancellation will be effective.

However, if **we** cancel this policy because **you** have failed to pay a premium or deductible when due, this policy may be cancelled by **us** by mailing a written notice of cancellation to the **named insured** stating when, not less than ten (10) days thereafter, such cancellation will be effective. Such notice will apply to all of **you**. If cancelled by **us**, earned premium will be computed *pro rata*.

Any notice of cancellation and any other notice to be provided by **us** to the **named insured** or any of **you** will be mailed to the **named insured** at its address set forth in the Declarations. The mailing of notice as aforementioned will be sufficient notice and the effective date of cancellation stated in any notices will become the end of the **policy period**. Delivery of such written notice by the **named insured** or **us** will be the equivalent of mailing.

Any notice of cancellation to **us** by **you** will be mailed to **us** at the following address:

Professional Liability
Underwriting Department
OneBeacon Insurance
601 Carlson Parkway
Suite 700
Minnetonka, MN 55305
Facsimile: 1.888.612.6587

2. Nonrenewal

If **we** elect not to renew this policy, **we** will mail to the **named insured**, at the last mailing address known by **us**, written notice of nonrenewal at least sixty (60) days prior to the expiration of this policy. If the notice is not given at least sixty (60) days prior to the expiration date, the policy will continue in force until sixty (60) days after the notice of intent not to renew is received by the **named insured**.

Notice of nonrenewal will not be required if **you** have obtained replacement coverage or have requested or agreed to nonrenewal.

In the event of nonrenewal, unless otherwise specifically required, proof of mailing of any notice will be sufficient proof of notice.

E. Changes

No change or modification of the policy is effective except when made by written endorsement to the policy, signed by **our** authorized representative. Notice of **our** agent

or knowledge possessed by **our** agent or another person acting on **our** behalf does not affect **our** rights under this policy.

F. Mergers, Acquisitions, Spin-offs, Splits and Dissolutions

The **named insured** must report to **us** any merger, acquisition, spin-off, split, dissolution or similar action which occurs during the **policy period**, affecting fifty percent (50%) or more of the lawyers insured at the inception of this policy. This notice must be provided in writing within sixty (60) days of such change. The **named insured** does not have to report such changes to **us** if less than six (6) lawyers were insured at the inception of this policy. In the event of a merger, dissolution or acquisition, the **named insured** must notify **us** at least thirty (30) days prior to the projected date of such change. In each case, **we** will have the right to accept, alter or decline coverage and to charge an additional premium.

G. Liberalization

If **we** adopt any revision that would broaden coverage under this policy without additional premium at any time during the **policy period**, the broadened coverage will immediately apply to this policy, except that it will not apply to **claims** that were first made against **you** prior to the effective date of such revision.

H. Multiple Insureds, Claims or Claimants

Each **wrongful act**, in a series of related **wrongful acts**, will be deemed to have occurred on the

date of the first such **wrongful act**. A series of related **wrongful acts** includes **wrongful acts** which are logically or causally connected by common facts, circumstances, situations, events, transactions or decisions and which may involve the same person or organization or class of persons or organizations.

Two or more **claims** arising out of or attributable to the same or related **wrongful acts** will be treated as a single **claim** for purposes of determining the applicable limits of liability and deductible, regardless of whether made against one or more than one of **you** or made by more than one person or organization. All such **claims**, whenever made, will be considered first made on the date the earliest **claim** arising out of such **wrongful acts** was first made, and all such **claims** will be subject to the same limits of liability.

I. **Other Insurance**

This insurance will apply only as excess of the amount of the applicable deductible of this policy and any other valid and collectible insurance available to **you** whether such other insurance is stated to be primary, *pro rata*, contributory, excess, contingent or otherwise, unless such other insurance is excess insurance over the limits of liability provided in this policy.

J. **Payment and Apportionment of Claim Expenses**

All **claim expenses** will first be subtracted from the applicable limits of liability with the remainder of the limits of liability, if any, being the amount available to pay **damages**. If the limits of liability are exhausted prior to settlement or judgment of

any pending **claim**, **we** will have the right to withdraw from further investigation or defense by tendering control of such investigation or defense to **you**, and **you** agree, as a condition to the issuance of this policy, to accept such tender.

K. **Subrogation**

In the event of any payment under this policy, **we** will be subrogated to all **your** rights of recovery against any person or organization, provided, however, **we** will not exercise any rights of subrogation against any of **you** who did not commit the wrongdoing.

You will execute and deliver instruments, papers and do whatever else is necessary to secure such rights, and **you** will do nothing to prejudice such rights.

Any amount recovered upon the exercise of such rights of subrogation will be applied as follows: first, to the repayment of expenses incurred in recovery by exercise of such subrogation rights; second, to **damages** and/or **claim expenses** paid by **you** in excess of the limits of liability; third, to **damages** and/or **claim expenses** paid by **us**; fourth, to **damages** and/or **claim expenses** paid by **you** in excess of the deductible; and last, to the repayment of the deductible or deductibles paid by **you**.

L. **Waiver**

Our failure to insist on strict compliance with any of the terms, provisions or conditions to coverage

Lawyers' Professional Liability Policy

of this policy or the failure to exercise any right or privilege will not operate or be construed as a waiver of any subsequent breach or a waiver of any other terms, provisions, conditions, privileges or rights.

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