



EMPLOYMENT RELATED PRACTICES LIABILITY
CLAIMS MADE COVERAGE

THIS IS A CLAIMS MADE POLICY. COVERAGE IS LIMITED TO LIABILITY FOR CLAIMS FIRST MADE AGAINST YOU AND REPORTED TO US WHILE THE COVERAGE IS IN FORCE. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO US AFTER THE END OF THE POLICY TERM UNLESS, AND TO THE EXTENT, AN EXTENDED REPORTING PERIOD APPLIES. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS POLICY COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

THE LIMITS OF LIABILITY AVAILABLE TO PAY FOR JUDGMENTS OR SETTLEMENTS FOR LOSS MAY BE REDUCED BY AMOUNTS INCURRED FOR DEFENSE COSTS TO THE EXTENT PROVIDED HEREIN. THE RETENTION AMOUNT SHALL BE APPLIED TO ALL LOSS, INCLUDING DEFENSE COSTS.

In consideration of the payment of the premium and in reliance upon the statements contained in the Application and the materials submitted in connection therewith, **we** agree to this Policy as a contract with **you**.

Throughout the Policy, the words **you** and **your** refer to the Named "**Insured(s)**" shown in the Declarations and any other person(s) or organization(s) qualifying as an "**Insured**" under this Policy. The words **we**, **us**, **our** and **Insurer** refer to the company providing this insurance.

Other words and phrases that appear in boldface and are enclosed in quotations have special meaning. Refer to SECTION VIII. DEFINITIONS.

SECTION I. INSURING AGREEMENT - WHAT IS COVERED

Insuring Agreement

- A. **We** shall pay those amounts the "**Insured**" is legally required to pay as "**Loss**" by reason of a "**Claim**" for your "**Wrongful Employment Act**" to which this insurance applies if the "**Claim**" for a "**Wrongful Employment Act**" is first made against **you** and reported to **us** during the "**Policy Period**" or any extended reporting period **we** agree to provide under this Policy.
- B. **Defense**
1. **We** have the right and duty to defend and appoint an attorney to defend any "**Claim**" brought against any "**Insured**" for a "**Wrongful Employment Act**" to which this insurance applies even if the "**Claim**" is frivolous, without merit or fraudulent. **Our** duty to defend any "**Claim**" ends after the applicable Limits of Liability have been exhausted by payment of "**Loss**".
 2. **We** have the right to investigate and settle any "**Claim**" in the manner and to the extent that **we** believe is proper, however, **we** will not settle any "**Claim**" without **your** consent. If **you** refuse to consent to the settlement of a "**Claim**" recommended by **us**, Section IV.G. will operate to limit the **Insurer's** liability in connection with such "**Claim**".
 3. **We** shall pay as "**Loss**" all reasonable costs **we** ask the "**Insured**" to incur while helping **us** investigate or defend a "**Claim**". **We**, however, will not pay more than \$100 per day for earnings lost by the "**Insured**" because of time taken off from work.

4. **We** shall pay as “**Loss**” premiums for appeal bonds, or bonds to release property being used to secure a legal obligation, if required in a “**Claim**” **we** defend. **We** shall only pay, however, for bonds valued up to **our** applicable Limits of Liability. **We** shall have no obligation to appeal or to obtain these bonds. **We** shall pay as “**Loss**” the costs taxed against an “**Insured**” in a “**Claim**” **we** defend.
5. Payments for the costs of defense and investigation of a “**Claim**” are part of any “**Loss**.” However, costs of defense and investigation of a “**Claim**” are not included within and will not serve to reduce **our** Limits of Liability until after such costs exceed the retention and not until after such costs exceed 100% of the applicable Limit of Liability.

Example: If you have a \$250,000 limit of Liability, the first \$250,000 of defense costs in excess of the retention will not serve to reduce **our** Limit of Liability.

6. **We** shall pay all interest on that amount of any judgment within **our** Limits of Liability:
 - a) Which accrues after entry of judgment; and
 - b) Before **we** pay, offer to pay, or deposit in court that part of a judgment within **our** applicable Limits of Liability.

These interest payments are not included within **our** Limits of Liability.

C. Coverage Territory and Valuation.

1. Where legally permissible, **We** shall cover “**Wrongful Employment Act(s)**” occurring anywhere in the world. All premiums, limits, retentions, **Loss** and other amounts under this Policy are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or another element of **Loss** under this Policy is in a currency other than United States of America dollars, payment under this Policy shall be made in United States dollars at the rate of exchange published in *The Wall Street Journal* on the date the final judgment is reached, the amount of the settlement is agreed upon or the other element of **Loss** is due, respectively.

D. Transfer Of Control

1. **You** may take over control of any outstanding “**Claim**” previously reported to **us** only if **we** both agree that **you** should, or if a court orders **you** to do so or if **you** refuse to consent to a settlement of the “**Claim**” as described in Section IV.G.
2. If the Limits of Liability are exhausted, **we** will notify **you** of all outstanding “**Claim(s)**” so that **you** can take over control of the defense. **We** will help transfer control to **you**. **We** shall take whatever steps are necessary to continue the defense of any outstanding “**Claim**” and avoid a default judgment during the transfer of control to **you**. If **we** do so, **we** shall not waive or give up any of **our** rights. **You** shall pay all reasonable expenses **we** incur for taking such steps.

SECTION II. EXCLUSIONS - WHAT IS NOT COVERED

This insurance does not apply to:

- A. “**Property Damage**”. Any “**Claim**” arising out of “**Property Damage**”;
- B. “**Bodily Injury**”. Any “**Claim**” arising out of “**Bodily Injury**”. This exclusion does not apply to any “**Claim**” for emotional distress, mental anguish or humiliation arising from a “**Wrongful Employment Act**”;
- C. **Contractual Liability**. Any “**Claim**” for liability assumed by the “**Insured**” under any contract or agreement. This exclusion, however, shall not apply to any liability the “**Insured**” would have in the absence of the contract or agreement;

- D. **Specific statutes.** Any “**Claim**” arising out of the “**Insured’s**” actual or alleged failure to fulfill any duty or obligation imposed, or to refrain from any action prohibited by: 1. the Employee Retirement Income Security Act of 1974 (ERISA); 2. the Comprehensive Omnibus Budget Reconciliation Act of 1985 (COBRA) 3. the Workers’ Adjustment and Retraining Notification Act, Public Law 100-379 (1988) (WARN); 4. the Occupational Safety and Health Act (OSHA); 5. the National Labor Relations Act of 1947 (NLRA); 6. the Labor Management Relations Act (LMRA); 7. the Employers’ Liability Act; 8. the Railway Labor Act; and 9. any similar federal, state or local statutory law or ordinance, or common law, any amendments thereto, and any rules or regulations promulgated thereunder;
- E. **Workers’ Compensation.** Any “**Claim**” arising out of any workers’ compensation, disability insurance or benefits, medical insurance or benefits, severance, social security benefits, wage payment, or unemployment compensation law; however, this exclusion shall not apply to any “**Claim**” for actual or alleged “**Retaliation**” on account of the claimant’s exercise of rights pursuant to any such law;
- F. **Accommodations.** Any costs or expenses incurred by an “**Insured**” to make premises accessible to or to otherwise accommodate persons with disabilities as required by the Americans with Disabilities Act of 1990 (ADA) or similar federal, state, or local statutory law or ordinance, or common law, any amendments thereto, or any regulations promulgated thereunder;
- G. **Non-Monetary Relief.** Any “**Claim**” for non-monetary relief including injunctive or declaratory relief, as well as the cost of implementing any such relief including, but not limited to, employment related education or training, job reinstatement, or other equitable remedies;
- H. **Prior Knowledge.** Any “**Claim**” arising out of incidents or circumstances of which any “**Insured**” had knowledge prior to the Policy effective date shown in the Declarations, and which any “**Insured**” could reasonably foresee might result in a “**Claim**”;
- I. **Written Employment Contract.** Any “**Claim**” arising out of any written employment contract;
- J. **Leasing Companies.** Any “**Claim**” by or against any person or entity that supplies “**Leased Workers**” to you.
- K. **Wage and Hour Laws.** Any “**Claim**” based upon or arising out of any private, governmental, or administrative complaint or lawsuit for violation of federal, state, or local wage and hour laws or regulations, including, but not limited to, any request for monetary or non-monetary compensation or benefits that may be owed to one or more past or present “**Employees**” based upon a misclassification of their job status, title, or duties. Notwithstanding the foregoing, we will provide a defense to you with regard to such a “**Claim**”, subject to the applicable limit of liability, until there has been an adjudication that you committed a violation.

SECTION III. WHO IS AN INSURED

- A. **Individual.** If **you** are shown in the Declarations as an individual, **you** and **your** spouse are “**Insured(s)**”, but only for the conduct of a business of which **you** are the sole owner.
- B. **Corporation.** If **you** are shown in the Declarations as a corporation or organization other than a partnership or joint venture, **you** are an “**Insured**”. **Your** stockholders are also “**Insured(s)**”, but only for liability resulting from the conduct of **your** business.
- C. **Partnership Or Joint Venture.** If **you** are shown in the Declarations as a partnership or joint venture, **you** are an “**Insured**”. **Your** partners or co-venturers and their spouses are also an “**Insured**”, but only for liability resulting from the conduct of **your** business.
- D. **Limited Liability Company.** If **you** are shown in the Declarations as a limited liability company, **you** are an “**Insured**”. **Your** members and their spouses are also “**Insured(s)**”, but only with respect to the conduct of **your** business.

- E. **Heirs, Executors, Administrators, Assigns and Legal Representatives.** Your heirs, executors, administrators, assigns and legal representatives are “**Insured(s)**”, but only for liability resulting from the conduct of **your** business and only in the event of **your** death, incapacity or bankruptcy.
- F. **Subsidiaries.** Any subsidiary in which **you** own greater than 50% is an “**Insured**” as long as the subsidiary is listed on the Application for coverage.
- G. **Acquisitions.** Any organization that **you** acquire or form while this Policy is in effect is an “**Insured**” if **you** own greater than 50% of it, but no such organization will be covered under this Policy for more than ninety (90) days from the date that **you** acquire or form it, or for the remainder of the “**Policy Period**”, whichever is less, unless **you** have notified **us** in writing of such acquisition or formation and **we** have agreed, by written endorsement to this Policy, to provide such coverage. There will be no coverage for any “**Claim**” or “**Loss**” that arises out of a “**Wrongful Employment Act**” that happened or commenced before **you** acquired or formed such organization, or for any “**Claim**” or “**Loss**” covered under any other insurance.
- H. “**Employee(s)**”. Your “**Employee(s)**” and directors and officers are an “**Insured**” only for the conduct of **your** business on **your** behalf within the scope of their duties as such. An “**Employee**”, director or officer will only be an “**Insured**” if he/she was **your** “**Employee**”, director or officer on the date of the alleged “**Wrongful Employment Act**”.

SECTION IV. LIMITS OF LIABILITY

- A. The limits shown in the Declarations to this Policy and the information contained in this section fix the most **we** shall pay as “**Loss**” regardless of the number of:
 - 1. Persons or organizations covered by this Policy; or
 - 2. “**Claim(s)**” made.

Notwithstanding the foregoing, a sublimit of \$100,000 is the most **we** will pay for any costs associated with the defense, investigation, or settlement of any and all “**Claims**” based upon or arising out of any private, governmental, or administrative complaint or lawsuit for violation of federal, state, or local wage and hour laws or regulations, including, but not limited to, any request for monetary or non-monetary compensation or benefits that may be owed to one or more past or present “**Employees**” based upon a misclassification of their job status, title, or duties. This sublimit is part of, and not in addition to, the limits shown in the Declarations. Section 1.B.5 also will not apply to such sublimit.

- B. The Aggregate Limit is the most **we** shall pay for all “**Loss**” covered under this Policy.
- C. Subject to the Aggregate Limit, the each “**Wrongful Employment Act**” limit is the most **we** shall pay for all “**Loss**” that results from a single “**Wrongful Employment Act**”.
- D. All “**Claim(s)**” arising from continuous, related, or repeated “**Wrongful Employment Act(s)**” shall be treated as arising out of one “**Wrongful Employment Act.**” Only the Policy in effect when the first such “**Claim**” is made shall respond to all such “**Claim(s)**”.
- E. All “**Claim(s)**” arising out of one “**Wrongful Employment Act**” shall be deemed to be made on the date that the first such “**Claim**” is made.
- F. The Limits of Liability of this Policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the “**Policy Period**” shown in the Declarations, unless the “**Policy Period**” is extended after issuance for an additional period of less than 12 months. In that case, the additional period shall be deemed part of the last preceding period for purposes of determining the Limits of Liability.
- G. If **you** refuse to consent to a settlement of any “**Claim**” acceptable to a claimant and recommended by **us**, and **you** elect to contest or continue any legal proceedings, then **our** liability in connection with such “**Claim**” shall not exceed the amount for which the “**Claim**” could have been settled, including defense costs incurred with **our** consent up to the date of such refusal, plus 50% of the amount of any “**Loss**” in excess of such amount up

to the applicable Limit of Liability. The remaining 50% of such **“Loss”** shall be carried by **you** at **your** own risk and be uninsured.

SECTION V. RETENTION

You shall be responsible for the Retention amount shown in the Declarations and **you** may not insure against it. Expenses **we** incur in investigating, defending, and settling any **“Claim”** will be applied toward the Retention. However, such expenses will not include salaries and costs of **our** employees, or **our** employed attorneys and adjusters. The Retention shall apply separately to each **“Wrongful Employment Act”**. The Retention is not included within the Limits of Liability.

SECTION VI. CONDITIONS

We have no duty to provide coverage under this Policy unless there has been full compliance with all the Conditions contained in this Policy:

A. Assignment.

1. The interest of any **“Insured”** is not assignable. **You** cannot assign or transfer **your** interest in this Policy without **our** written consent attached to the Policy.

B. **Bankruptcy or Insolvency.** **Your** bankruptcy, insolvency or inability to pay, or the insolvency of **your** estate, will not relieve **us** from our obligation to pay any **“Claim”** otherwise covered by this Policy. Under no circumstances will **your** bankruptcy, insolvency, inability to pay or insolvency of **your** estate require **us** to drop down, in any way replace, or assume any of **your** obligations with respect to **your** Retention.

C. Reporting Requirements In The Event Of An Incident or Potential **“Claim”**.

1. If, during the **“Policy Period”**, incidents or events occur which **you** reasonably believe may give rise to a **“Claim”** for which coverage may be provided hereunder, **you** shall, during the **“Policy Period”** or any applicable Extended Reporting Period, give written notice to **us**. Such written notice shall contain:
 - a) The identity of the person(s) alleging a **“Wrongful Employment Act”**;
 - b) The identity of the **“Insured(s)”** who allegedly were involved in the incidents or events; and
 - c) The date the alleged incidents or events took place.
2. If **you** submit written notice containing items a) through c) above, then any **“Claim”** subsequently made against an **“Insured”** arising out of such incidents or events shall be deemed, for the purpose of this insurance, to have been first made during the **“Policy Period”** in effect at the time such written notice was submitted to **us**.

D. Reporting Requirements and Duties When a **“Claim”** is Made

1. If a **“Claim”** is made against any **“Insured”**, **you** must:
 - a) Immediately record the specifics of the **“Claim”** and the date received; and
 - b) Notify **us** as soon as practicable.

You must see to it that **we** receive written notice of this **“Claim”** as soon as practicable, but in no event after the expiration of the **“Policy Period”**.
2. **You** and any other **“Insured”** must:
 - a) Immediately send **us** copies of any demands, notices, summonses or legal papers received in connection with any **“Claim”**,
 - b) Authorize **us** to obtain records and other information,
 - c) Cooperate with **us** in the investigation, settlement or defense of the **“Claim”**, and
 - d) Assist **us**, upon **our** request, in the enforcement of any right against any person or organization which may be liable to the **“Insured”** because of injury or damage to which this insurance may also apply.
3. No **“Insured”** will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without **our** prior consent.

E. **Transfer Of Rights Of Recovery Against Others To Us.** You may be able to recover all or part of a **“Loss”** from someone other than **us**. You, therefore, shall do all that is possible after a **“Loss”** to preserve any such right of recovery. If **we** make a payment under this Policy, that right of recovery shall belong to **us**. You shall do whatever is necessary, including signing documents, to help **us** obtain that recovery. **We** shall be entitled to such recovery only after **you** have been fully compensated.

F. **Automatic Reporting Period**

1. Subject to all of the terms and conditions set forth in this paragraph, **you** have an Automatic Reporting Period of sixty (60) days, starting with the end of the **“Policy Period”**. The coverage under this Policy will then be available for any **“Claim”** first made during such Automatic Reporting Period which arises out of **“Wrongful Employment Act(s)”** which take place prior to the end of the **“Policy Period”** and are otherwise covered by the Policy.
2. This Automatic Reporting Period does not extend the **“Policy Period”** or change the scope of coverage provided. **We** will consider any **“Claim”** first made or brought during the Automatic Reporting Period to have been made on the last date on which this insurance is in effect.
3. The Automatic Reporting Period will apply only if there is a **“Termination of Coverage.”** Coverage under the Automatic Reporting Period may not be canceled.
4. The Limits of Liability that apply at the end of the **“Policy Period”** are not renewed or increased for **“Claim(s)”** first made or brought during the Automatic Reporting Period.
5. The Automatic Reporting Period, however, will not apply to any **“Claim”** if other insurance **you** buy covers the **“Claim”** or would cover the **“Claim”** if its limits of coverage had not been exhausted.

G. **Extended Reporting Period**

1. If there is a **“Termination of Coverage”**, **you** shall have the right to purchase additional coverage providing an Extended Reporting Period of up to three (3) years, starting upon the expiration of the Automatic Reporting Period. Coverage under the Extended Reporting Period will be limited to **“Claim(s)”** first made during such Extended Reporting Period which arise out of **“Wrongful Employment Act(s)”** that take place prior to the end of the **“Policy Period”** and are otherwise covered by the Policy. **You** do not have this right, however, if **we** cancel for non-payment of premium.
2. The additional premium for the Extended Reporting Period coverage shall be calculated in accordance with **our** rules and rates. **We** will not charge more than 200% of the annual premium from the last **“Policy Period”**.
3. To obtain Extended Reporting Period coverage **you** must request it in writing within sixty (60) days after the **“Policy Period”** ends and pay the premium when due. If **you** do so, an Extended Reporting Period cannot be canceled. If **we** do not receive the written request and payment as required, **you** may not exercise this right at a later date.
4. The Limits of Liability that apply at the end of the **“Policy Period”** are not renewed or increased by the issuance of any optional Extended Reporting Period, unless a Reinstatement of Aggregate Limit of Liability Endorsement is issued.

If the Limit of Liability in the Aggregate indicated in the Declarations has decreased during the **“Policy Period”** by payment of **“claims”** first made while the Policy is in effect, then upon the effective date of the Extended Reporting Period Endorsement **we** will reinstate the Policy Aggregate Limit of Liability by the amount incurred up to that time for such **“claims.”** The reinstated Policy Aggregate Limit of Liability will only apply to **“claims”** first made against **you** during the Extended Reporting Period. Once reinstated, the Policy Aggregate Limit of Liability for the Extended Reporting Period will be equal to the Policy Aggregate Limit of Liability that was in effect at the inception of the Policy.

5. This insurance, provided during the Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.
6. Where the Automatic Extended Reporting Period applies solely due to a **“Termination of Coverage”** based upon a change in coverage less favorable to the **“Insured”**, the Automatic Extended Reporting Period and any optional Extended Reporting Period shall apply only to such decrease in coverage.

H. Legal Action Against Us.

1. No one can sue **us** to recover under this Policy unless there has been full compliance with all the terms of this Policy.
2. A person or organization may sue **us** to recover up to the Limits of Liability under this Policy only after **your “Claim”** has been decided by:
 - a) A trial, after which a final judgment has been entered; or
 - b) A written settlement agreement signed by the party making the **“Claim”** and **us**.
3. No person or organization has the right to join **us** as a party or otherwise bring **us** into a **“Claim”** asking for **“Loss”** from an **“Insured”**.

I. **Other Insurance.** If any part of **“Loss”** is insured under this Policy and any other current or prior policy, this Policy will be excess over any other valid and collectible insurance available to the **Insured**, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as a specific excess insurance over the limits of liability provided by this Policy.

J. **Policy Changes.** This Policy contains all the agreements between **you** and **us** concerning this insurance. The first Named **“Insured”** in the Declarations is authorized to request changes in this Policy. This Policy can only be changed by a written endorsement **we** issue and made part of this Policy.

K. **Representations and Covenants.** The **“Insured(s)”** represents the statements in the application are true, accurate and complete. The **“Insured(s)”** further acknowledges that this policy is issued by the company in reliance upon such statement

L. **Special Rights And Duties Of First Named “Insured”.** **You** agree that when there is more than one person or entity covered under this Policy, the first Named **“Insured”** in the Declarations shall act on behalf of all **“Insured(s)”** as to:

1. Giving and receiving notice of cancellation;
2. Payment of premiums and receipt of return premiums;
3. Acceptance of any endorsements to this Policy; or
4. Purchasing or deciding not to purchase the Extended Reporting Period Endorsement.

M. Acquisition of Parent Company

If during the **“Policy Period”** (a) the Named **“Insured”** is acquired by merger into or consolidation with another entity, or (b) another entity, or person(s) or group of entities acquires more than 50% of the Named **“Insured”**, then the premium shall become fully earned and coverage under this Policy shall continue until the expiration of the **“Policy Period”**, but only for any **“Claim”** first made during the **“Policy Period”** for **“Wrongful Employment Act(s)”** which take place prior to such merger, consolidation or acquisition.

You shall give written notice of such merger, consolidation or acquisition to **us** within sixty (60) days after such merger, consolidation or acquisition. Upon receipt of such notice, we shall promptly provide to **you** a quotation for an extension of coverage up to three years with respect to **“Claim(s)”** first made during the **“Policy Period”** for **“Wrongful Employment Act(s)”** which take place prior to such merger, consolidation or acquisition. **You** shall agree, (a) to pay during the **“Policy Period”** any additional premium required by **us**, (b) that any premium

paid or to be paid under this Policy is deemed fully earned upon the inception of such coverage extension, and (c) to accept any additional terms and conditions required by **us**.

The Limits of Liability that apply at the end of the “**Policy Period**” are not renewed or increased for any “**Claim**” first made and reported during this extension of coverage.

SECTION VII. CANCELLATION/NONRENEWAL

- A. The first Named “**Insured**” shown in the Declarations may cancel this Policy by mailing or delivering to **us** advance written notice of cancellation.
- B. **We** may cancel this Policy only for nonpayment of premium. If **we** so cancel, **we** will mail or deliver to the first Named “**Insured**”, at the address shown in the Declarations, written notice of cancellation at least (15) fifteen days before the effective date of said cancellation.
- C. Notice of cancellation will state the effective date of cancellation. The “**Policy Period**” will end on that date.
- D. If this Policy is canceled, **we** will send the first Named “**Insured**” any premium refund due. If **we** cancel, the refund will be pro rata. If the first Named “**Insured**” cancels, the refund may be less than pro rata. The cancellation will be effective even if **we** have not made or offered a refund. If notice is mailed, proof of mailing will be sufficient proof of notice.
- E. The Policy cannot be canceled by either party after the premium for an Extended Reporting Period is paid.
- F. If **we** decide not to renew this Policy, **we** will mail or deliver to the first Named “**Insured**” shown in the Declarations written notice of the nonrenewal not less than sixty (60) days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION VIII. DEFINITIONS

- A. “**Bodily Injury**” means any actual or alleged physical injury, sickness, or disease, including death resulting therefrom.
- B. “**Claim(s)**” means:
 - a. A written *or oral* demand or notice for monetary “**Loss**”; or
 - b. A civil or administrative proceeding; or
 - c. An arbitration, mediation, or any other alternative dispute resolution proceeding seeking “**Loss**” to which the “**Insured**” must submit or may submit with **our** prior consent;

received by an “**Insured**” in which a “**Wrongful Employment Act**” is alleged. This is a claims-made and reported policy. Coverage is limited to liability for “**Claim(s)**” first made against **you** and reported to **us** while the coverage is in force.
- C. “**Discrimination**” means the failure or refusal to hire, any failure to promote, any wrongful demotion or discharge, any wrongful failure to grant tenure, or any other wrongful treatment of persons based on their race, sex, color, religion, sexual orientation or preference, marital status, pregnancy, age, national origin, disability including a disability resulting from human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS), or any other status that is protected pursuant to any applicable federal, state, or local statute or ordinance which is employment related.
- D. “**Employee**” means an individual whose labor or service is engaged by and directed by the “**Insured**” for remuneration, including directors and officers. This includes part-time workers, seasonal workers, temporary workers, volunteers, interns, and management or supervisory workers. “**Leased Workers**” & independent contractors are also included in the definition of “**Employee**”; provided that 1) all “**Leased Workers**” and independent contractors are under the supervision and control of the “**Insured**” and 2) no other insurance coverage applies to such “**Leased Workers**” and independent contractors.
- E. “**Harassment**” means:
 - a. unwelcome sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature that is made a condition of employment with the “**Insured**”, is used as a basis for employment decisions with the “**Insured**”, creates a work environment with the “**Insured**” that interferes with performance, or creates an intimidating, hostile, or offensive working environment; or

- b. workplace harassment (i.e., harassment of a non-sexual nature) which creates a work environment with the **"Insured"** that interferes with performance, or creates an intimidating, hostile, or offensive working environment.

F. **"Insured(s)"** means any person or organization qualifying as such under Section III. titled WHO IS AN INSURED.

G. **"Leased Workers"** means any worker leased by the **"Insured"** to perform duties related to the conduct of the **"Insured's"** business pursuant to a written agreement between the **"Insured"** and a labor leasing firm.

H. **"Loss"** means a judgment, settlement, statutory attorney fees, and the costs associated with the defense, investigation, or settlement of any **"Claim"**, including but not limited to compensatory, punitive, multiplied and exemplary damages (where insurable under applicable law), back pay and front pay. **"Loss"** does not include compensation, benefits in the course of employment by an **"Employee"** but not paid by the **"Insured"**, nor does **"Loss"** include fines, taxes or penalties.

The law of the jurisdiction most favorable to the insurability of punitive or exemplary damages shall control whether such damages are insurable, provided that such jurisdiction is where:

1. Those damages were awarded or imposed;
2. Any **"Wrongful Employment Act"** was committed for which such damages were awarded or imposed
3. The Named **"Insured"** is incorporated or has its principal place of business; or
4. The Insurer is incorporated or has its principal place of business.

I. **"Policy Period"** means the period commencing on the effective date shown in the Declarations. This period ends on the earlier of the expiration date or the effective date of cancellation of this Policy.

J. **"Property Damage"** means actual or alleged physical injury to, or destruction of, tangible property including the loss of use of tangible property, or the loss of use of tangible property, which has not been physically injured or destroyed.

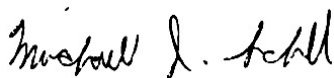
K. **"Retaliation"** means unlawful or abusive treatment resulting from an **"Employee's"** exercise or attempted exercise of any rights under law.

L. **"Termination of Coverage"** means cancellation or nonrenewal of the Policy by **us** or by the Named **"Insured"** for any reason, or where there is a decrease in Limits, an increase in the deductible or Retention, or any other change in coverage less favorable to **you**. The offer of a renewal Policy with an increase in premium shall not be deemed a change in coverage less favorable to **you**.

M. **"Wrongful Employment Act(s)"** means any of the following, whether actual or alleged but only if employment-related, and claimed by or on behalf of an **"Employee"** or an applicant for employment, and only if committed or allegedly committed by any of the **Insureds** in their capacity as such resulting from employment-related **"Discrimination"**, **"Harassment"**, **"Wrongful Termination"**, or **"Retaliation"**, defamation, denial of training/seniority, failure to enforce policies, failure to hire, failure to grant tenure, false imprisonment, invasion of privacy, libel/slander, malicious prosecution, misrepresentation, negligent evaluation, negligent hiring or supervision, promissory estoppel and intentional interference with contract, violations of the Uniformed Services Employment and Reemployment Rights Act, violations of the Family Medical Leave Act, wrongful demotion, wrongful discipline or wrongful deprivation of career opportunity.

N. **"Wrongful Termination"** means any actual or alleged wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of an implied contract.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, but this Policy shall not be valid unless countersigned by a duly authorized representative of the company.



Michael J. Schell
President & CEO



Christopher L. Martin
Executive Vice President & Secretary