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**EMPLOYMENT-RELATED  
PRACTICES  
LIABILITY INSURANCE  
ENDORSEMENT**

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**THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.**

**ALLOCATION PROVISION ENDORSEMENT**

It is agreed that **SECTION IV - LIMITS OF INSURANCE, Subsection 5. Allocation of "Defense Costs"** is deleted in its entirety and replaced with the following:

**SECTION IV LIMITS OF INSURANCE**

**5. Allocation of "Defense Costs"**

If both "loss" covered by this Policy and "loss" not covered by this Policy are incurred in connection with any "claim," we will use all reasonable efforts to agree, with you, upon a fair and proper allocation of "defense costs" attributable to the covered "loss" and the uncovered "loss."

If there can be an agreement on the allocation of "defense costs," we will pay, on a current basis, "defense costs" allocated to the covered "loss" in accordance with our obligations under the Policy.

If there can be no agreement on an allocation of "defense costs:"

- a. then no presumption as to allocation shall exist in any arbitration, suit or other proceeding;
- b. we will pay, on a current basis, "defense costs" that we believe are reasonably related to the covered "loss" under the Policy until a different allocation is negotiated or arbitrated; and
- c. we, if requested by you, shall submit such dispute to binding arbitration, in which case the rules of the American Arbitration Association shall apply. All administrative costs associated with the arbitration shall be shared equally between the parties. The amounts paid by you in connection with the arbitration will not be considered "loss" under the terms of this Policy.

This endorsement changes the Policy to which it is attached effective on the inception date of the Policy unless a different date is indicated below. All other terms and conditions of this Policy remain unchanged.

**(The following is required only when this endorsement is issued subsequent to preparation of the policy.)**

NAMED INSURED:

POLICY NUMBER:

ENDORSEMENT NUMBER:

ENDORSEMENT EFFECTIVE:

Signed \_\_\_\_\_ By \_\_\_\_\_  
(Date) (Authorized Representative)

EP ALLOC (06/06 ed)