**This Endorsement Modifies Your Policy.**

**Please Read It Carefully.**

**MODIFIED DEFENSE OUTSIDE OF THE LIMITS ENDORSEMENT**

**(SPECIFIED DEFENSE COST MAXIMUM)**

This endorsement modifies insurance provided under the following:

INSURANCE AGENTS AND BROKERS ERRORS AND OMISSION LIABILITY INSURANCE POLICY

**SECTION II – DEFENSE AND SETTLEMENT** is amended by adding the following:

**Defense Costs** are payable in addition to the Limit of Liability as stated in Item 4. A. and Item 4. B. of the Declarations but only up to the **Defense Costs Maximum.** In the event **Defense Costs** for any **Claim** or all **Claims** combined exceed the applicable **Defense Costs Maximum**, we will continue to defend any **Claim**, but **Defense Costs** in excess of the **Defense Costs Maximum** will reduce the applicable Each Claim and Aggregate for All Claims Limits of Liability.

Our right and duty to defend end when we have used up the applicable Each Claim and Aggregate for All Claims Limits of Liability as stated in Item 4. A. and Item 4. B. of the Declarations in payment of:

**1.** **Loss**; and, if applicable

**2.** **Defense Costs** in excess of the **Defense Costs Maximum**.

The following definition is added to **SECTION III - DEFINITIONS**:

**Defense Costs Maximum** means **Defense Costs** payable up to but not exceeding an Aggregate Limit of $      . **Defense Costs** within the **Defense Costs** **Maximum** will not reduce the Each Claim or Aggregate for All Claims Limits of Liability.

**SECTION V - LIMITS OF LIABILITY, RETENTION, RELATED CLAIMS AND NON-STACKING OF LIMITS,** subsection **A. Limit of Liability** is amended as follows:

Subsections 1. and 2. are deleted in their entirety and replaced with the following:

**1.** Limit of Liability Each **Claim**: The Limit of Liability of the **Insurer** for all **Loss**, and any **Defense Costs** in excess of the **Defense Costs Maximum**,for each **Claim** or all **Related Claims** both first made and reported during the **Policy Period** and Extended Reporting Period, if applicable, shall not exceed the amount stated in Item 4. A. of the Declarations for Each **Claim**.

**2.** Limit of Liability in the Aggregate for the **Policy Period**: The Limit of Liability of the **Insurer** for all **Loss** including any **Defense Costs** in excess of the **Defense Costs Maximum** for all **Claims** both first made and reported during the **Policy Period** and Extended Reporting Period, if applicable, shall not exceed the amount stated in Item 4. B. of the Declarations as the Aggregate for the **Policy Period**.