

MEDIA PROFESSIONAL LIABILITY POLICY

NOTICE: THIS IS A CLAIMS MADE AND REPORTED POLICY AND SUBJECT TO ITS PROVISIONS APPLIES ONLY TO CLAIMS WHICH ARE BOTH FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE. IN ADDITION, DEFENSE COSTS ARE INCLUDED IN AND WILL REDUCE THE LIMITS OF LIABILITY.

PLEASE READ THE ENTIRE POLICY CAREFULLY.

In consideration of the payment of premium and in reliance upon the statements in the **Application**, each of which is acknowledged and understood to be material to the decision by the Company indicated in the Declarations (hereafter called the Insurer) to underwrite this risk, and which is made a part hereof and subject to the Declarations, terms, conditions and exclusions in this Policy, the Insurer and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

A. Media Liability

The Insurer shall pay on behalf of the **Insured** all **Loss** which the **Insured** shall become legally obligated to pay because of a **Claim** first made against the **Insured** and reported in writing to the Insurer during the **Policy Period**, or an Extended Reporting Period, if applicable, for a **Wrongful Act** committed on or after the **Retroactive Date** for which the **Insured** is legally liable or has assumed liability under contract for:

1. defamation or other tort related to disparagement or harm to the character, reputation or feelings of any person or organization, including libel, slander, product disparagement, trade libel, infliction of emotional distress, outrage or outrageous conduct;
2. invasion, infringement or interference with rights of privacy or publicity, including false light, public disclosure of private facts, intrusion and commercial appropriation of name or likeness;
3. infringement of title, slogan, trademark, trade name, trade dress, service mark or service name;
4. infringement of copyright, plagiarism, piracy or misappropriation of ideas under implied contract; or
5. unfair competition, but only when alleged in conjunction with paragraphs **3 or 4** above;

provided the **Wrongful Act** was committed in the utterance or dissemination of **Matter** while performing **Multimedia Activities** or related **Advertising** for a client for a fee or other compensation.

B. Personal Injury

The Insurer shall pay on behalf of the **Insured** all **Loss** which the **Insured** shall become legally obligated to pay because of a **Claim** first made against the **Insured** and reported in writing to the Insurer during the **Policy Period**, or an Extended Reporting Period, if applicable, for a **Wrongful Act** committed on or after the **Retroactive Date** for which the **Insured** is legally liable or has assumed liability under contract for:

1. defamation or other tort related to disparagement or harm to the character, reputation or feelings of any person or organization, including libel, slander, product disparagement, trade libel, infliction of emotional distress, outrage or outrageous conduct;
2. invasion, infringement or interference with rights of privacy or publicity, including false light, public disclosure of private facts, intrusion and commercial appropriation of name or likeness;
3. wrongful entry or eviction, trespass, eavesdropping or other invasion of the right of private occupancy; or
4. false arrest, detention or imprisonment or malicious prosecution;

provided the **Wrongful Act** was committed in the gathering, acquisition or obtaining of **Matter** while performing **Multimedia Activities** or related **Advertising** for a client for a fee or other compensation.

With respect to Insuring Agreements **A and B**, coverage is only provided if, prior to the Effective Date of this Policy or any other policy of which this Policy is a direct or indirect renewal or replacement, whichever is earlier, no **Insured** had knowledge of any actual or alleged **Wrongful Act**, circumstance or situation which could reasonably be expected to result in a **Claim**.

II. DEFINITIONS

For purposes of this Policy:

A. Advertising means publicity or promotion of any kind of products and services of others.

B. 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.

C. Affiliate of the Insurer is an insurer controlling, controlled by or under common control with the Insurer.

D. Claim means:

1. a written demand for monetary or non-monetary damages, services or other relief received by an **Insured**; or
2. a civil proceeding commenced by the service of a complaint or similar pleading in which monetary damages or injunctive or other relief are sought, including any appeal from these proceedings.

Claim does not include any administrative, regulatory or criminal proceeding.

E. Defense Costs mean reasonable and necessary fees, costs and expenses incurred by the **Insured** in defending a **Claim** and the premium for appeal, attachment or similar bonds. The Insurer shall have no obligation to apply for or provide such bonds. **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.

F. Insured means:

1. the **Named Insured** and **Subsidiaries**;
2. any present or former partner, director, officer or employee of the **Named Insured** or **Subsidiaries** solely while acting in their capacity as such and on behalf of the **Named Insured** or **Subsidiaries**;
3. a natural person provided by an employment agency under an agreement between the **Named Insured** and the employment agency but solely while performing **Professional Services** on behalf of the **Named Insured**; and
4. an independent contractor who is a natural person but solely while performing **Professional Services** on behalf of the **Named Insured** or **Subsidiaries**, provided that prior to the **Claim** being made against such independent contractor, the **Named Insured** agreed in writing to provide the insurance afforded under this Policy. Such independent contractor is only afforded coverage under the Policy for otherwise covered **Claims** arising from the rendering or failing to render **Professional Services** solely on behalf of the **Named Insured** to a client of the **Named Insured**.

G. Internet means the electronic communications network that connects computer networks and organizational computer facilities around the world. **Internet** includes an intranet, extranet or virtual private network.

H. Loss means **Defense Costs** and monetary judgments, awards or settlements and other relief that an **Insured** is legally obligated to pay on account of a covered **Claim**. **Loss** includes punitive or exemplary damages if insurable under state law or jurisdiction which has a Substantial Relationship to the **Insureds**, the Insurer, this Policy or the **Claim**. For purposes of this Definition, Substantial Relationship shall mean 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. production costs, loss of profits or the cost of recall, return, reproduction, reprinting or correction of **Matter**;
2. taxes or civil or criminal fines or penalties imposed by law or any licensing organization;
3. the return or restitution of fees, expenses, charges or royalties; or
4. matters which are deemed uninsurable by law.

I. Matter means literary, artistic, pictorial, informational, printed, musical, dramatic, statistical, audio or audio-visual content.

J. Multimedia Activities mean:

1. research, editing, preparation, publication, republication, serialization, production, release, exhibition or distribution of **Specified Media**;
2. a broadcast, telecast, cablecast or web cast over **Specified Media**; or
3. services rendered in the design, development, construction, hosting or maintenance of an **Internet** web site.

K. Named Insured means the entity stated in Item 1 of the Declarations.

L. Policy Period means the period from the effective date to the expiration date of this Policy as set forth in Item 2 of the Declarations, or earlier termination date, if any.

M. Pollutants mean 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 material. Waste materials include, 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.

N. 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 logically or causally connected facts, circumstances, situations, events, transactions or causes.

O. Retroactive Date means the date set forth in Item 5 of the Declarations.

P. Specified Media means those methods of dissemination listed in Item 6 of the Declarations.

Q. Subsidiary means a corporation in which the **Named Insured** owns as of the inception date of the **Policy Period** more than fifty percent (50%) of the issued and outstanding voting stock either directly or indirectly through one or more of its **Subsidiaries**.

R. Terrorism means activities against persons, entities or property of any nature:

1. that involve the following or preparation for the following:

a. use of threat of force or violence;

b. threat of or commission of a dangerous act; or

c. threat of or commission of an act that interferes with or disrupts an electronic, communication or mechanical system; and

2. when the effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

3. when it appears that the intent is to intimidate or coerce a government, to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

4. **Terrorism** also involves any action taken in hindering or defending against an actual or expected activity described in paragraphs 1, 2 or 3 above.

S. War means war, undeclared or civil war, hostilities (whether declared or not), warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these; and confiscation, nationalization, requisition, destruction or devaluation of or damage to property by, or under the order of any government, public or local authority.

T. Wrongful Act means any error, negligent misstatement or misleading statement, negligent act or omission, or negligent misrepresentation committed by, on behalf of, or with the permission of the **Insured**.

III. EXCLUSIONS

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

A. based upon, arising out of or in any way involving: (i) 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 any other policy which preceded this Policy; or (ii) any prior or pending litigation against any **Insured** filed on or before the Effective Date of this Policy or under any other policy of which this Policy is a direct or indirect renewal or replacement, whichever is earlier, or which is related in any way to the same or substantially the same facts, circumstances or situations which are the subject of or the basis for such prior and pending litigation;

B. based upon, arising out of or in any way involving any dishonest, fraudulent, criminal, malicious or purposeful act, error or omission committed by or at the direction of the **Insured** if a judgment or other final adjudication adverse to such **Insured** establishes such a dishonest, fraudulent, criminal, malicious or purposeful act, error or omission. In such event, the **Insured** shall reimburse the Insurer for all **Defense Costs** incurred by the Insurer;

C. based upon, arising out of or in any way involving bodily injury, emotional distress, mental anguish, sickness, disease, or death of any person, or damage to or destruction of any tangible property, including loss of use thereof; however, this Exclusion shall not apply to any **Claim** if: (i) the **Insured's Wrongful Act** was not the immediate cause of such bodily injury, emotional distress, mental anguish, sickness, disease, death, or damage to or destruction of tangible property; and (ii) the **Claim** is not covered under any other valid or collectible insurance;

D. based upon, arising out of or in any way involving any employment-related **Wrongful Acts** or any discrimination on any basis as defined by federal, state or local statute, regulation, law or ordinance;

E. based upon, arising out of or in any way involving any: (i) employee benefit or pension plan, including violation of the Employee Retirement Income Security Act of 1974, and any amendments thereto, or any similar federal, state or local statutory or common law or any rules and regulations promulgated thereunder; (ii) an actual or alleged violation of any securities laws, including provisions of the Securities Act of 1933 or Securities Exchange Act of 1934, and any amendments thereto, or any state blue sky or securities law or similar state or federal securities related statute and any order or regulation issued pursuant to the foregoing statutes; or (iii) any actual or alleged violation of the Racketeer Influenced and Corrupt Organizations Act, Title 18 United States Code, Sections 1961-1968, or any of its amendments, or any other similar state or local law;

F. brought or maintained, directly or indirectly, by or on behalf of:

1. an **Insured**;
2. any entity which owns, operates, controls or manages an **Insured**;
3. any entity which an **Insured** owns, operates, controls or manages;
4. any entity which is affiliated with any **Insured** through any common ownership, operation or control; or

5. any governmental or quasi-governmental official or agency in any capacity, including but not limited to the Federal Trade Commission and the Federal Communications Commission;

G. based upon, arising out of or in any way involving breach of any contract or agreement other than liability for a **Wrongful Act** assumed by the **Insured** under a contract;

H. based upon, arising out of or in any way involving theft or disclosure of a client's trade secrets or other proprietary information;

I. based upon, arising out of or in any way involving fees and charges of an **Insured**, including collecting such fees from a client;

J. based upon, arising out of or in any way involving the redemption in excess of the total contracted or expected amount of discounts, coupons, awards, prizes or other valuable consideration from advertisements, promotions, games, sweepstakes, contests and games of chance;

K. based upon, arising out of or in any way involving **Advertising** by an **Insured** about its own product or service;

L. based upon, arising out of or in any way involving:

1. infringement of patent; or
2. infringement of copyright, trademark or service mark solely with respect to software or software technology;

M. based upon, arising out of or in any way involving any violation of antitrust laws or restraint of trade;

N. based upon, arising out of or in any way involving:

1. mechanical or electric failure, including but not limited to any electrical power interruption, surge, brownout, blackout or defect in computer hardware; a failure of telephone lines, data transmission lines, or other infrastructure comprising or supporting the **Internet**;
2. any computer virus;
3. the inability of an authorized third party to gain access to any **Internet** web site;
4. the use of any Computer System by an unauthorized person or an authorized person in an unauthorized manner;
5. the gaining of access to any Computer System by an unauthorized person or an authorized person in an unauthorized manner;

For purposes of this Exclusion, Computer System means computer hardware, software and firmware and data stored thereon, which are linked together through a network of two or more computers, or accessible

through the **Internet**, including network infrastructure, input, output, processing storage and off-line media libraries.

O. based upon, arising out of or in any way involving **War** or **Terrorism**; or

P. 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**.

IV. LIMIT OF LIABILITY, RETENTION, RELATED CLAIMS AND NON-STACKING OF LIMITS

A. Limit of Liability

1. **Limit of Liability Each Claim:** The Limit of Liability of the Insurer for all Loss for each **Claim** or all **Related Claims** shall not exceed the amount stated in Item 3. 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** for all **Claims** first made and reported during the **Policy Period** and Extended Reporting Period, if applicable, shall not exceed the amount stated in Item 3. B. of the Declarations as the Aggregate for the **Policy Period**.

B. Retention: The Retention Amount stated in Item 4. of the Declarations is applicable to each **Claim** and applies to the payment of **Loss**. The Retention Amount shall be paid by the **Named Insured** and shall be uninsured and remain uninsured during the **Policy Period**. The Limits of Liability set forth in Item 3. A. and B. of the Declarations are in addition to and in excess of the Retention Amount.

C. Related Claims: All **Related Claims** shall be deemed a single **Claim**, subject to a single Each **Claim** Limit of Liability, if covered, and such **Claim** 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**.

D. Non-Stacking of Limits: If a **Claim** covered under this policy is also covered under one or more policies issued by the Insurer or an **Affiliate of the Insurer**, then with respect to such **Claim**:

1. the Insurer shall not be liable under this Policy for a greater portion of the **Loss** than the applicable Limit of Liability under this Policy bears to the total limits of liability of all policies; and
2. the maximum amount payable under all such policies shall not exceed the limit of liability of that policy which has the highest applicable limit of liability.

V. EXTENDED REPORTING PERIOD

A. In the case of cancellation or nonrenewal of this Policy by the Insurer, the **Named Insured** shall have the right to purchase an Extended Reporting Period during which to report **Claims** arising from **Wrongful Acts** committed on or after the **Retroactive Date** and prior to the end of the **Policy Period**, upon payment of an additional premium. The premium for and length of the Optional Extended Reporting Period shall be negotiated at the time of purchase.

The rights contained in this section shall terminate unless written notice of such election together with the additional premium due is received by the Insurer within ten (10) days after the effective date of cancellation or nonrenewal. The entire premium for the Extended Reporting Period shall be deemed fully earned and non-refundable upon payment.

B. If the Insurer cancels this Policy because the **Named Insured** failed to pay a premium or other amounts when due or the **Insureds** are not in compliance with the terms and conditions of the Policy, the **Insureds** shall not have the right to purchase the Extended Reporting Period.

C. The quotation of a different premium, retention amount, limit of liability or policy terms or conditions for renewal shall not constitute a cancellation or nonrenewal for purposes of paragraph **A.**

D. The Extended Reporting Period does not reinstate or increase the Limit of Liability beyond the limits shown on the Declarations, nor extend the **Policy Period**.

E. **Claims** which are properly reported during the Extended Reporting Period will be deemed to have been made on the last day of the **Policy Period**.

VI. CONDITIONS

A. Notice and Cooperation

1. The **Insured** shall, as a condition precedent to the availability of rights provided under this Policy, give written notice to the Insurer as soon as practicable of any **Claim** first made during the **Policy Period**, or Extended Reporting Period, if applicable, but in no event more than thirty (30) days after the **Claim** is made against the **Insured**.
2. The **Insured** shall furnish the Insurer with copies of demands, reports, investigations, pleadings and related papers, and provide other such information, assistance and cooperation as the Insurer may reasonably request.
3. The **Insured** shall further cooperate with the Insurer and do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment that the **Insured** may have.
4. The rights of an **Insured** under this Policy shall not be prejudiced by the refusal of the **Named Insured** or of anyone for whose acts the **Named Insured** is legally responsible, to reveal the identity of a confidential source in connection with a **Claim** under this Policy.

5. All written notices provided for in this Policy shall be in writing and addressed to the Insurer at:

For Claims and potential Claims:

Protective Specialty Insurance Company
1099 N. Meridian St., Suite 600
Indianapolis, IN 46204
Attn: David B. Myhre
Phone: (317) 429-2598
Fax: (800) 497-6338
E-Mail: dmyhre@protectiveinsurance.com

All other notices:

Protective Specialty Insurance Company
1099 N. Meridian St., Suite 700
Indianapolis, IN 46204
Attn: Ed Velasquez
Phone: (317) 429-2644
Fax: (317) 429-2645
E-Mail: evelasquez@protectivespecialty.com

B. Notice of Circumstances Giving Rise to a Claim

1. 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:
2. the names of all potential claimants;
3. the names of each **Insured** who committed the **Wrongful Act**;
4. a detailed description of the **Wrongful Act**;
5. the damage which has or may result from the **Wrongful Act**; and
6. 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**.

C. Retractions and Corrections

The **Insured** shall take such actions and may make any retractions or corrections which, in the **Insured's** reasonable judgment, are deemed necessary and practicable to prevent or limit the dissemination of **Matter** that is erroneous or untrue.

D. Defense and Settlement

It shall be the duty of the **Insured** and not the duty of the Insurer to defend any **Claim**.

The **Insureds** shall not incur any **Defense Costs**, settle or offer to settle any **Claim**, consent to any judgment, or otherwise assume any contractual obligation or admit any liability without the written consent of the Insurer. The **Insureds** shall promptly send to the Insurer all settlement demands or offers received from the claimant. The Insurer shall not be liable for any settlement, **Defense Costs**, assumed obligation or admission to which it has not consented. However, the **Insured** may settle any **Claim** for which the total **Loss**, including **Defense Costs**, is less than the Retention Amount.

In the event the **Insured** and the Insurer disagree with respect to the final disposition of a **Claim**, then the following shall apply:

1. If the **Insured** is willing to accept a settlement which is offered by a claimant or is unwilling to appeal from a judgment of a trial court, the Insurer shall have the right to litigate in lieu of such settlement or appeal from such judgment, provided that the Insurer has obtained the prior written consent of all excess insurers if any, and the Insurer bears all costs and expenses, including incidental interest, of such litigation or appeal, any new trial ordered by an appellate court, and any increase in the judgment amount, including incidental interest. An increase in the judgment amount in such instance shall not be applied against the **Insured's** Limit of Liability;
2. If the Insurer is willing to accept a settlement which is offered by a claimant or is willing to accept the judgment of the trial or appellate court, and the **Insured** is not willing to accept such settlement offer or judgment, provided such settlement offer or judgment is in excess of the **Insured's** retention, the Insurer shall pay to the **Insured** the difference between the amount of said settlement offer or judgment and the amount remaining on the retention, and shall thereby be relieved from further **Loss** for that **Claim**, including the payment of **Defense Costs**. Thereafter, the **Insured** shall be free to settle or litigate without any further involvement of the Insurer.

E. Misrepresentations in the Application

The **Insureds** acknowledge that in the event the **Application** contains misrepresentations made with the actual intent to deceive or misrepresentations which materially affect either the acceptance of this risk or the hazard assumed by the Insurer under this Policy, this Policy shall be void and of no effect whatsoever.

F. Territory

This Policy applies to **Wrongful Acts** committed anywhere in the world provided that the **Claim** is made against the **Insured** in the United States of America, its territories or possessions or Canada.

G. Other Insurance

If the **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.

H. 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 cost to the Insurer of recovery.

I. 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.

J. 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 **Insured** or their legal representative.

K. Assignment of Interest

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

L. Cancellation and Termination

1. Termination: This Policy shall terminate at the earliest of the following times:
 - a. upon expiration of the **Policy Period** as set forth in Item 2 of the Declarations, or the effective date of cancellation, if earlier; or
 - b. ten (10) days after receipt by the **Named Insured** of a written notice of termination from the Insurer for failure to pay a premium when due.
2. Cancellation:
 - a. This Policy may be cancelled by the **Named Insured** by surrender thereof to the Insurer or by providing written notice to the Insurer stating when thereafter cancellation shall be effective. If this Policy is cancelled by the **Named Insured**, the Insurer shall retain the customary short rate proportion of the premium.
 - b. This Policy may be cancelled by the Insurer by providing written notice of cancellation to the **Named Insured** at the address shown in Item 1 of the Declarations, with the effective date of the cancellation not less than sixty (60) days thereafter. Proof of mailing the notice of cancellation shall be sufficient proof of notice and this Policy shall terminate on the date and time specified in such notice. If the Insurer cancels this Policy, the earned premium shall be computed pro-rata. Payment or tender of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation.

M. Transactions Changing Coverage

1. Change of Control of the Named Insured

If during the **Policy Period**, the **Named Insured** listed in Item 1 of the Declarations consolidates with or merges into, or sells all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or any person or entity or group of persons or entities acting in concert shall acquire an amount of the outstanding securities representing more than fifty percent (50%) of the voting power for election of directors of the **Named Insured**, or acquires the voting rights of such an amount of securities, then this Policy shall continue in effect as to **Wrongful Acts** occurring prior to the effective date of such event.

The **Named Insured** shall give the Insurer written notice of any such event as soon as practicable but not later than thirty (30) days after the date of such event.

2. Acquisition or Creation of a Subsidiary

If during the **Policy Period**, the **Named Insured** forms or acquires a corporation which provides services similar to those of **Named Insured** and which as a result of such formation or acquisition becomes a **Subsidiary** on or after the inception date of the **Policy Period**, such corporation shall be covered under this Policy but only with respect to covered **Wrongful Acts** taking place after such formation or acquisition.

If the total assets of the acquired corporation as reflected in the corporation's most recent consolidated financial statements exceeds ten percent (10%) of the total assets of the **Named Insured** and **Subsidiaries** as reflected in their most recent consolidated financial statements, as a condition precedent to coverage with respect to such corporation, the **Named Insured** shall give written notice of the acquisition to the Insurer as soon as practicable and shall agree to any additional terms and conditions and pay any reasonable additional premium required by the Insurer.

3. Cessation of Subsidiaries

If during the **Policy Period**, a corporation ceases to be a **Subsidiary**, coverage with respect to such **Subsidiary** and its **Insureds** shall continue in effect as to **Wrongful Acts** occurring prior to the date such organization ceased to be a **Subsidiary**.

N. Authorization Clause

By acceptance of this Policy, the first listed **Named Insured** in Item 1 of the Declarations shall act on 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 nonrenewal.

O. Service of Suit

In the event of failure of the Insurer to pay the amount claimed to be due hereunder, the Insurer, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Insurer's rights to commence an action in any court of competent jurisdiction in the United States or to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such action may be made to the Insurer and that in any such action instituted against the Insurer relating to this Policy, the Insurer will abide by the final nonappealable decision of such court or of any appellate court in the event of any appeal.

IN WITNESS WHEREOF, _____ has caused this Policy to be signed by its President and Secretary, but the same shall not be binding upon the Company unless countersigned on the Declarations Page by an authorized representative of the Company.

Signature

Signature