



INTRODUCING THE HARTFORD'S NEWLY UPDATED SUITE OF EMPLOYMENT-RELATED RISK MANAGEMENT RESOURCES

Dear Valued Customer,

We are pleased to share our newly updated suite of employment-related risk management resources, available in our **Hartford Help®** portal, and invite you to acquaint yourself with them.

In today's climate, allegations of sexual and workplace harassment and employment-related lawsuits have reached alarming levels. Even seasoned human resources professionals can face challenges in determining whether a particular employment decision is lawful or appropriate.

The resources in the **Hartford Help®** portal were designed with our policyholders in mind, with a primary goal of increasing their practical understanding of employment-related risks, while helping them to avoid potential lawsuits and control losses. Just a few of the resources available include HR training tools, sample HR policies, model handbooks, and interactive maps that outline key state laws based on the state of operation. These services are provided for The Hartford by a leading workplace law firm, Jackson Lewis P.C.

Additionally, you have access to the **Jackson Lewis Help Line at 1-866-620-0014** to speak with an attorney for general employment-related questions. If you want further assistance, you also have access to discounted rates from Jackson Lewis to assist with the development of preventative practices, preparing employee handbooks and training supervisors.

Visit www.hartfordhelp.com

Your Invitation code: **Welcome Hartford**

We hope you take advantage of these valuable services offered to The Hartford's Employment Practices Liability customers. As always, thank you for choosing The Hartford. Together we prevail.

Please be advised that availing yourself of any of the services described herein will not constitute the filing of a notice of claim under any insurance policy, nor are any such services intended to be a replacement or substitute for your hiring of legal counsel. Jackson Lewis P.C. is an independent, third party law firm, and not a member company, subsidiary, or affiliate of The Hartford. Use of any of the services described herein is voluntary and solely at your own discretion.



**PRIVATE CHOICE PREMIERSM POLICY
NON PROFIT ORGANIZATION
DECLARATIONS**

Policy Number: 42 KM 0330369-24

NOTICE: THE LIABILITY COVERAGE PARTS SCHEDULED IN ITEM 5 OF THE DECLARATIONS PROVIDE CLAIMS MADE COVERAGE. EXCEPT AS OTHERWISE SPECIFIED HEREIN: COVERAGE APPLIES ONLY TO A CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND WHICH HAS BEEN REPORTED TO THE INSURER IN ACCORDANCE WITH THE APPLICABLE NOTICE PROVISIONS. COVERAGE IS SUBJECT TO THE INSURED'S PAYMENT OF THE APPLICABLE RETENTION. PAYMENTS OF DEFENSE COSTS ARE SUBJECT TO, AND REDUCE, THE AVAILABLE LIMIT OF LIABILITY. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

ITEM 1: Named Entity and Address:

ASSOCIATION OF FUNDRAISING PROFESSIONALS
4200 WILSON BOULEVARD
SUITE 480
ARLINGTON, VA 22203

ITEM 2: Producer's Name and Address:

42620526
RUST INSURANCE AGENCY LLC
1510 H STREET NW 5TH FLOOR
WASHINGTON, DC 20005

ITEM 3: Policy Period:

(A) Inception Date: 01/01/2024

(B) Expiration Date: 01/01/2025

12:01 a.m. local time at the address shown in ITEM 1

ITEM 4: Premium: \$38,380

ITEM 5: Liability Coverage Part Elections:

Only those **Liability Coverage Parts** and Coverage Features that are designated with an "X" are included under this Policy.

- ☐ "Combined Aggregate Limit of Liability For All **Liability Coverage Parts**" \$0
- ☐ "Defense Outside the Limit of Liability (100%)" for the following coverage parts:
- ☐ Non Profit Directors, Officers and Entity Liability Coverage Part
 - ☐ Employment Practices Liability Coverage Part
 - ☐ Fiduciary Liability Coverage Part

If both the "Combined Aggregate Limit of Liability For All **Liability Coverage Parts**" and the "Defense Outside the Limit of Liability (100%)" options are selected, the maximum aggregate defense outside the limits paid by the Insurer shall be equal to 100% of the "Combined Aggregate Limit of Liability For All **Liability Coverage Parts**".

- ☐ "Defense Outside the Limit of Liability (Uncapped)" for all **Liability Coverage Parts**.

COVERAGE PART	AGGREGATE LIMIT(S) OF LIABILITY (AND SUB-LIMITS OF LIABILITY, WHERE APPLICABLE)	RETENTION(S)	PRIOR OR PENDING DATE(S)
<input checked="" type="checkbox"/> Non Profit Directors, Officers and Entity Liability (Additional, Elective Coverage Features)	\$ <u>5,000,000</u>	Insured Person Liability <u>\$0</u> Corporate Reimbursement <u>\$25,000</u>	<u>12/21/1999</u> <u>12/21/1999</u>
<input checked="" type="checkbox"/> <i>Entity Liability Coverage</i>	<u>\$5,000,000</u>	<u>\$25,000</u>	<u>12/21/1999</u>
<input checked="" type="checkbox"/> <i>Investigation Costs</i>	Sub-Limit of Liability <u>\$500,000</u>	<u>\$0</u>	<u>12/21/1999</u>
<input checked="" type="checkbox"/> <i>Additional Limit of Liability for Claims Against Managers</i>	<u>\$1,000,000</u>	<u>\$0</u>	<u>12/21/1999</u>
<input checked="" type="checkbox"/> <i>Legal Services Wrongful Act</i>	Sub-Limit of Liability <u>\$5,000,000</u>	<u>\$25,000</u>	<u>12/21/1999</u>
<input checked="" type="checkbox"/> <i>Data Privacy Event Expense Coverage</i>	Sub-Limit of Liability <u>\$100,000</u>	<u>\$0</u>	<u>12/21/1999</u>
<input checked="" type="checkbox"/> Employment Practices Liability (Additional, Elective Coverage Features)	<u>\$5,000,000</u>	<u>\$10,000</u>	<u>12/21/1999</u>
<input checked="" type="checkbox"/> <i>Third Party Liability Coverage</i>	Sub-Limit of Liability <u>\$5,000,000</u>	<u>\$10,000</u>	<u>12/21/1999</u>
<input checked="" type="checkbox"/> <i>Wage and Hour Defense Cost Coverage Extension</i>	Sub-limit of Liability for Defense Costs: <u>\$250,000</u>	<u>\$10,000</u>	<u>12/21/1999</u>
<input checked="" type="checkbox"/> <i>Workplace Violence Expenses Coverage Extension</i>	Sub-limit of Liability for Expenses: <u>\$250,000</u>	<u>\$0</u>	<u>12/21/1999</u>
<input checked="" type="checkbox"/> <i>Training Costs</i>	Sub-limit of Liability for Training Costs: <u>\$1,000,000</u>	<u>\$10,000</u>	<u>12/21/1999</u>
<input checked="" type="checkbox"/> Fiduciary Liability (Additional Elective Coverage Features)	<u>\$1,000,000</u>	<u>\$0</u>	<u>12/21/1999</u>
<input checked="" type="checkbox"/> <i>Settlement Program Coverage</i>	Sub-Limit of Liability <u>\$1,000,000</u>	<u>\$0</u>	<u>12/21/1999</u>
<input checked="" type="checkbox"/> <i>HIPAA:</i>	Sub-Limit of Liability <u>\$1,000,000</u>	<u>\$0</u>	<u>12/21/1999</u>

ITEM 6: Non-Liability Coverage Part Elections:

Only those **Non-Liability Coverage Parts** that are designated with an "X" are included under this Policy

COVERAGE PART	LIMIT(S) OF INSURANCE	RETENTION
<input type="checkbox"/> Crime	See Crime Coverage Part Dec. Page, Form No. <u>N/A</u>	See Crime Coverage Part Dec. Page, Form No. <u>N/A</u>
<input type="checkbox"/> Kidnap and Ransom/Extortion	See Kidnap and Ransom/Extortion Coverage Part Dec. Page, Form No. <u>N/A</u>	See Kidnap and Ransom/Extortion Coverage Part Dec. Page, Form No. <u>N/A</u>

ITEM 7: Extended Reporting Period:

(A) Duration: 12 Months

(B) Premium*: 125%

- * Premium for the Extended Reporting Period elected shall be the indicated percentage of the sum of the annual premium specified for all **Liability Coverage Parts** plus the annualized amounts of any additional premiums charged during the **Policy Period**. The Extended Reporting Period is not available for the **Non-Liability Coverage Parts**.

ITEM 8: Endorsements:

This Policy includes the following endorsements at issuance:

SEE FORM GU207 (SCHEDULE OF ENDORSEMENTS)

ITEM 9: Address For Notices to Insurer:**For Claims other than Kidnap and Ransom/Extortion:**

The Hartford
Hartford Financial Lines
One Hartford Plaza
Hartford, CT 06115

HFPClaims@thehartford.com

Fax: (917) 464-6000

For all notices other than Claims:

The Hartford
Hartford Financial Lines
One Hartford Plaza
Hartford, CT 06115

HFPEXpress@thehartford.com

Fax: (866) 586-4550

For Kidnap and Ransom/Extortion Claims see Kidnap and Ransom/Extortion Coverage Part Declarations.

This Policy shall not be valid unless countersigned by the Insurer's duly authorized representative.

ENDORSEMENT

This endorsement, effective on 01/01/2024 at 12:01 A.M standard time, forms a part of

Policy No. 42 KM 0330369-24 of the TWIN CITY FIRE INSURANCE CO.

Issued to ASSOCIATION OF FUNDRAISING PROFESSIONALS



Ross Fisher, President

SCHEDULE

	HR00H09401	3/18	UPDATED SUITE OF EMPLOYMENT RELATED RISK MANAGEMENT RESOURCES
	PP00H90200	10/16	PRIVATE CHOICE PREMIER POLICY NON PROFIT ORGANIZATION DECLARATIONS
	RN45N02600	8/96	IN WITNESS PAGE
	PP00H90301	7/18	PRIVATE CHOICE PREMIER POLICY NON PROFIT COMMON TERMS AND CONDITIONS
	PP00H90000	10/16	PRIVATE CHOICE PREMIER POLICY NON PROFIT DIRECTORS, OFFICERS AND ENTITY
	PP00H40000	6/16	EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
	PP00H50000	6/16	FIDUCIARY LIABILITY COVERAGE PART
1	PP00M13400	4/21	AMENDED PROFESSIONAL SERVICES EXCLUSION - ALL INSURING AGREEMENTS (NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)
2	HG00H15700	7/22	DISCLOSURE / CAP ON LOSSES - TERRORISM RISK INSURANCE ACT
3	PP00H03400	6/16	ADD SUBSIDIARY ENDORSEMENT
5	PP00H10700	4/17	AMEND CANCELLATION PROVISION 20 DAYS NOTICE UNEARNED PREMIUM PRO RATA
6	PP00H94100	4/17	AMEND ENTITY VS. INSURED EXCLUSION BANKRUPTCY TRUSTEE CARVEBACK
7	PP00H43500	3/17	AMEND NOTICE OF CLAIM SECTION VI (B)(2)
8	PP00H43300	4/17	AMENDED DEFINITION OF RETALIATION
9	PP00H93700	4/17	AMENDED DERIVATIVE COVERAGE
10	PP00H43200	4/17	AMENDED RETENTION WAIVER
11	PP00H93800	4/17	AMENDED SECURITIES EXCLUSION
12	PP00H92900	2/17	CRISIS MANAGEMENT EXPENSE COVERAGE (NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY

ENDORSEMENT

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Issued to ASSOCIATION OF FUNDRAISING PROFESSIONALS



Ross Fisher, President

SCHEDULE

13	PP00H93000	2/17	DATA PRIVACY EVENT AND CRISIS MANAGEMENT EXPENSE COVERAGE - \$100,000 SUBLIMIT(NON PROFIT
14	PP00H91300	4/17	NON PROFIT PRIVATE CHOICE PREMIER ENDORSEMENT
15	PP00H50301	5/17	ORDER OF PAYMENTS
16	PP00H93100	2/17	RETIRED DIRECTORS COVERAGE ENDORSEMENT (NON PROFIT D&O)
17	PP00H93500	2/17	SOCIAL MEDIA COVERAGE ENDORSEMENT (NON PROFIT D&O)
18	PP00H93600	2/17	SPECIFIED PENALTIES COVERAGE (NON PROFIT D&O)
19	PP00M03700	2/18	STANDARD SETTING EXCLUSION ENDORSEMENT
20	PP00H92200	10/16	TRADE AND PROFESSIONAL ASSOCIATION AMENDATORY ENDORSEMENT (NON PROFIT DIRECTORS
21	PP00H42600	6/16	WORKPLACE VIOLENCE COVERAGE ENDORSEMENT
22	PP45H90400	10/16	VIRGINIA AMENDATORY ENDORSEMENT (NON PROFIT COMMON TERMS ANDCONDITIONS)
23	HR45H00302	6/08	VIRGINIA CANCELLATION AND NONRENEWAL ENDORSEMENT
24	PP45H09800	6/16	VIRGINIA CHANGES (EMPLOYMENT PRACTICES LIABILITY COVERAGE PART)
25	PP45H09900	6/16	VIRGINIA CHANGES (FIDUCIARY LIABILITY COVERAGE PART)
26	PP45H90700	10/16	VIRGINIA CHANGES (NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)
	HG00H12900	10/16	U.S. DEPARTMENT OF THE TREASURY, OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")
	HR00H09300	2/07	PRODUCER COMPENSATION NOTICE



IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested.

TWIN CITY FIRE INSURANCE COMPANY
HOME OFFICE - INDIANAPOLIS, INDIANA
ADMINISTRATIVE OFFICES - HARTFORD, CONNECTICUT
(A STOCK INSURANCE COMPANY MEMBER OF THE HARTFORD)

A handwritten signature in black ink, appearing to read "Kevin Barnett".

Kevin Barnett, Secretary

A handwritten signature in black ink, appearing to read "Ross Fisher".

Ross Fisher, President

PRIVATE CHOICE PREMIERSM POLICY

NON PROFIT COMMON TERMS AND CONDITIONS

NOTICE: THE LIABILITY COVERAGE PARTS SCHEDULED IN ITEM 5 OF THE DECLARATIONS PROVIDE CLAIMS MADE COVERAGE. EXCEPT AS OTHERWISE SPECIFIED HEREIN: COVERAGE APPLIES ONLY TO A CLAIM FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD AND WHICH HAS BEEN REPORTED TO THE INSURER IN ACCORDANCE WITH THE APPLICABLE NOTICE PROVISIONS. COVERAGE IS SUBJECT TO THE INSURED'S PAYMENT OF THE APPLICABLE RETENTION. PAYMENTS OF DEFENSE COSTS ARE SUBJECT TO, AND REDUCE, THE AVAILABLE LIMIT OF LIABILITY. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium, the Insurer and the **Insureds** agree as follows:

I. TERMS AND CONDITIONS

- (A) All Coverage Parts included in this Policy are subject to the following Common Terms and Conditions. If any provision in these Common Terms and Conditions is inconsistent or in conflict with the terms and conditions of any Coverage Part, the terms and conditions of such Coverage Part shall control for purposes of that Coverage Part.
- (B) Except as otherwise provided by specific reference to other Coverage Parts, the terms and conditions of each Coverage Part shall apply only to such Coverage Part.

II. COMMON DEFINITIONS

The following terms, whether used in the singular or plural, shall have the meanings specified below:

- **"Affiliate"** means any insurance company controlling, controlled by or under common control with the Insurer.
- **"Application"** means the application for this Policy, including any (i) materials or information submitted therewith or made available to the Insurer during the underwriting process, or (ii) warranty, representation or other statement provided to the Insurer, which application shall be on file with the Insurer. Such **Application** shall be deemed a part of this Policy and attached hereto.
- **"Claim"** shall have the meaning specified for such term in each Coverage Part.
- **"Damages"** shall have the meaning specified for such term in each Coverage Part.
- **"Debtor in Possession"** means a "debtor in possession" as such term is defined in Chapter 11 of the U.S. Bankruptcy Code as well as any equivalent status under any similar law, including outside of the United States.
- **"Defense Costs"** means:

(1) reasonable legal fees and expenses including but not limited to e-discovery expenses, incurred in the defense or appeal of a **Claim**;

(2) **Extradition Costs**; or

(3) the costs of appeal, attachment or similar bonds, provided that the Insurer shall have no obligation to furnish such bonds.

However, **Defense Costs** shall not include:

- (a) salaries, wages, remuneration, overhead or benefit expenses associated with any **Insureds**;
- (b) any fees, expenses or costs which are incurred by or on behalf of a party which is not a covered **Insured**; or
- (c) any fees, expenses or costs which were incurred prior to the date on which the Insurer received written notice of **Claim** from the **Insured**.

- “**Domestic Partner**” means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law or any domestic partner relationship arrangement recognized outside of the U.S. and under the Human Resource policy of the **Insured Entity**.
- “**Effective Time**” means the actual time that a transaction is legally consummated as evidenced by the controlling documents of the transaction, including but not limited to the purchase and sale agreement, merger agreement, partnership agreement, or trust agreement.
- “**Employee**” means any natural person who was, is or shall become a(n):
 - (1) employee of an **Insured Entity** including any full time, part time, seasonal, temporary, leased, or loaned employee; or
 - (2) volunteer or intern with an **Insured Entity**.

However, this definition of **Employee** shall hereby expressly not apply for purposes of the **Non-Liability Coverage Parts**.

- “**ERISA**” means the Employee Retirement Income Security Act of 1974.
- “**Extradition Costs**” means reasonable and necessary fees and expenses directly resulting from a **Claim** in which an **Insured Person** opposes, challenges, resists or defends against any request for the extradition of such **Insured Person** from his or her current country of employ and domicile to any other country for trial or otherwise to answer any criminal accusation, including the appeal of any order or other grant of extradition of such **Insured Person**.
- “**Financial Insolvency**” means the status of an **Insured Entity** as a result of:
 - (1) the appointment of any conservator, liquidator, receiver, rehabilitator, trustee, or similar official to control, supervise, manage or liquidate such **Insured Entity**; or
 - (2) such **Insured Entity** becoming a **Debtor in Possession**.
- “**Insured Entity**” means:
 - (1) the **Named Entity**; or
 - (2) any **Subsidiary**.

Insured Entity shall include any such entity as a **Debtor in Possession**.

- “**Insured Person**” shall have the meaning specified for such term in each Coverage Part.
- “**Insureds**” shall have the meaning specified for such term in each Coverage Part.
- “**Interrelated Wrongful Acts**” means **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, or transaction, or series of causally connected facts, circumstances, situations, events, or transactions.
- “**Liability Coverage Part**” means the Directors, Officers and Entity Liability, Employment Practices Liability, and Fiduciary Liability Coverage Parts, if included in ITEM 5 of the Declarations.
- “**Loss**” means **Defense Costs** and **Damages**.
- “**Manager**” means any natural person who was, is or shall become a(n):
 - (1) duly elected or appointed director, advisory director, board observer, advisory board member, officer, member of the board of managers or management committee member of an **Insured Entity**;
 - (2) **Employee** in his/her capacity as legal counsel to an **Insured Entity**; or
 - (3) executive of an **Insured Entity** created outside the U.S. to the extent that such executive holds a position equivalent to those described in (1) or (2) above.

However, this definition of **Manager** shall hereby expressly not apply for the purposes of the Kidnap and Ransom/ Extortion Coverage Part.

- **“Named Entity”** means the entity named in ITEM 1 of the Declarations.
- **“Non-Liability Coverage Part”** means the Crime and Kidnap and Ransom/Extortion Coverage Parts, if included in ITEM 6 of the Declarations.
- **“Notice Managers”** shall have the meaning specified for such term in each Coverage Part.
- **“Policy Period”** means the period from the Inception Date to the Expiration Date set forth in ITEM 3 of the Declarations or any earlier cancellation date.
- **“Pollutants”** means any solid, liquid, gaseous or thermal irritant, nuisance or contaminant, including, without limitation, smoke, vapor, soot, fumes, acids, alkalies, chemicals, odors, noise, lead, oil or oil product, radiation, asbestos or asbestos-containing product, waste and any electric, magnetic or electromagnetic field of any frequency. Waste includes, without limitation, material to be recycled, reconditioned or reclaimed. **Pollutants** also means any substance located anywhere in the world identified on a list of hazardous substances issued by any federal agency (including, nonexclusively, the Environmental Protection Agency) or any state, county, municipality or locality or counterpart thereof, or any foreign equivalent thereof.
- **“Qualified Public Report”** means the public description of an occurrence that is covered only under a **Non-Liability Coverage Part** included under this Policy, which description also:

- (1) includes the legal identity of an **Insured** implicated in the coverage determination under such **Non-Liability Coverage Part**;
- (2) is broadcast by an on-the-air television or radio newscast, or published in a daily-circulated newspaper, or any official website thereof; and
- (3) first occurs during the **Policy Period**.

However, **Qualified Public Report** does not mean any description by a source that does not employ a staff of journalists to report the news, or any description by or in any blog or social media.

- **“Subsidiary”** means any:
 - (1) corporation in which and so long as the **Named Entity** owns or controls, directly or indirectly, more than 50% of the outstanding securities representing the right to vote for the election of the board of directors of such corporation;
 - (2) limited liability company in which and so long as the **Named Entity** owns or controls, directly or indirectly, the right to elect, appoint or designate more than 50% of such entity’s managing members;
 - (3) chapter of the **Named Entity**, but only if added by endorsement specifically identifying such chapter;
 - (4) corporation operated as a joint venture in which and so long as the **Named Entity** owns or controls, directly or indirectly, exactly 50% of the issued and outstanding voting stock and which, pursuant to a written agreement with the owner(s) of the remaining issued and outstanding voting stock of such corporation, the **Named Entity** solely controls the management and operation of such corporation; or
 - (5) foundation, charitable trust or political action committee in which and so long as such entity or organization is controlled by the **Named Entity** or any **Subsidiary** as defined (1) through (4) above.
- **“Wage and Hour Violation”** means any actual or alleged violation of the duties and responsibilities that are imposed upon an **Insured** by any federal, state or local law or regulation anywhere in the world, including but not limited to the Fair Labor Standards Act or any similar law (except the Equal Pay Act), which govern wage, hour and payroll practices. Such practices include but are not limited to:
 - (1) the calculation and payment of wages, overtime wages, minimum wages and prevailing wage rates;
 - (2) the calculation and payments of benefits;
 - (3) the classification of any person or organization for wage and hour purposes;

- (4) reimbursing business expenses;
- (5) the use of child labor; or
- (6) garnishments, withholdings and other deductions from wages.

- “**Wrongful Act**” shall have the meaning specified for such term in each Coverage Part.

III. COVERAGE EXTENSIONS

(A) Spousal/Domestic Partner Liability Coverage

Coverage shall apply to the lawful spouse or **Domestic Partner** of an **Insured Person** for a **Claim** made against such spouse or **Domestic Partner**, provided that:

- (1) such **Claim** arises solely out of:
 - (a) such person’s status as the spouse or **Domestic Partner** of an **Insured Person**; or
 - (b) such spouse or **Domestic Partner’s** ownership of property sought as recovery for a **Wrongful Act**;
- (2) the **Insured Person** is named in such **Claim** together with the spouse or **Domestic Partner**; and
- (3) coverage of the spouse or **Domestic Partner** shall be on the same terms and conditions, including any applicable Retention, as apply to coverage of the **Insured Person** for such **Claim**.

No coverage shall apply to any **Claim** for a **Wrongful Act** of such spouse or **Domestic Partner**.

(B) Estates and Legal Representatives

In the event of the death, incapacity or bankruptcy of an **Insured Person**, any **Claim** made against the estate, heirs, legal representatives or assigns of such **Insured Person** for a **Wrongful Act** of such **Insured Person** shall be deemed to be a **Claim** made against such **Insured Person**. No coverage shall apply to any **Claim** for a **Wrongful Act** of such estate, heirs, legal representatives or assigns.

(C) Public Relations Reimbursement Extension

If, during the **Policy Period**, the **Insured Entity** notifies the Insurer in writing of a **Qualified Public Report** within sixty (60) days of the first broadcast or publication thereof, then, subject to the Insurer’s prior written consent, such consent not to be unreasonably withheld, the **Named Entity** shall be entitled to reimbursement for up to \$25,000 of reasonable and necessary public relations expenses incurred to mitigate the effects of the **Qualified Public Report**; provided further that:

- (1) all **Qualified Public Reports** that have as a common nexus any fact, circumstance, situation, event, transaction, goal, motive, methodology, or cause or series of causally connected facts, circumstances, situations, events, transactions, goals, motives, methodologies or causes are deemed one **Qualified Public Report** first occurring on the date of the first such broadcast or publication thereof; and
- (2) the \$25,000 coverage provided by this extension shall:
 - (a) be the maximum aggregate amount that the Insurer shall pay under this Policy for all **Qualified Public Reports**; and
 - (b) only be available for reimbursement if the **Insured Entity** has exhausted any retention applicable to coverage for such occurrence giving rise to the **Qualified Public Report**. At such time as such applicable retention is exhausted, there shall be no further retention applicable to the coverage provided by this extension.

IV. LIMIT OF LIABILITY

- (A) The Limit of Liability for each **Liability Coverage Part** in ITEM 5 of the Declarations shall be the maximum aggregate amount that the Insurer shall pay under such Coverage Part for all **Loss** from all **Claims** covered under such Coverage Part.
- (B) Notwithstanding the above, if a Combined Aggregate Limit of Liability For All Coverage Parts is included in ITEM 5 of the Declarations, then:
- (1) the Combined Aggregate Limit of Liability For All Coverage Parts shall be the maximum aggregate amount that the Insurer shall pay for all **Loss** from all **Claims** covered under all included **Liability Coverage Parts** combined; and
 - (2) any amount specified as a Limit of Liability for any individual **Liability Coverage Part** in ITEM 5 of the Declarations shall be part of, and not in addition to, the amount stated as the Combined Aggregate Limit of Liability For All Coverage Parts.
- (C) If any Limit of Liability or Limit of Insurance is exhausted, the premium for this Policy shall be deemed fully earned.

V. DEFENSE COSTS

Solely with respect to all **Liability Coverage Parts**:

- (A) **Defense Costs** shall be part of, and not in addition to, each applicable Limit of Liability. Payment of **Defense Costs** by the Insurer shall reduce each Limit of Liability.
- (B) Notwithstanding the above, if Defense Outside the Limit of Liability is included in ITEM 5 of the Declarations, then payment of **Defense Costs** shall be in addition to such applicable Limit of Liability, provided that:
- (1) if the Combined Aggregate Limit of Liability For All Coverage Parts is not included in ITEM 5 of the Declarations, then the maximum aggregate amount that the Insurer shall pay for all **Defense Costs** from all **Claims** covered under a **Liability Coverage Part** shall be equal to the Aggregate Limit of Liability for such **Liability Coverage Part**.
 - (2) if a Combined Aggregate Limit of Liability For All Coverage Parts is included in ITEM 5 of the Declarations, then the maximum aggregate amount that the Insurer shall pay for all **Defense Costs** from all **Claims** covered under all included **Liability Coverage Parts** combined shall be equal to the Combined Aggregate Limit of Liability.
 - (3) if the amount available for **Defense Costs** stated in (1) or (2) above is exhausted by the payment of **Defense Costs**, then **Defense Costs** shall be paid by the Insurer out of any remaining applicable Limit of Liability until the exhaustion of the applicable Limit of Liability.
 - (4) no **Defense Costs** shall be paid by the Insurer upon exhaustion of the applicable Limit of Liability by **Damages**.
- (C) Notwithstanding the above, if Defense Outside the Limit of Liability (Uncapped) is included in Item 5 of the Declarations, then payment of **Defense Costs** shall be in addition to such applicable Limit of Liability, provided that no **Defense Costs** shall be paid by the Insurer upon exhaustion of the applicable Limit of Liability by **Damages**.

VI. RETENTION

Solely with respect to all **Liability Coverage Parts**:

- (A) The Insurer shall pay **Loss** in excess of the Retention applicable to each **Claim** as specified in ITEM 5 of the Declarations.
- (B) All Retentions shall be borne by the **Insureds** at their own risk; though where allowable by law, actual payment for a retention may be made on behalf of the **Insured** by a non-**Insured**. Payment by a non-**Insured** must contain a written reference to the identification number of the matter for which such payment is being made.
- (C) The Retention shall apply to **Defense Costs** covered under this Policy. If, any **Defense Costs** are incurred by the Insurer prior to the **Insured's** complete payment of the Retention, then the **Insureds** shall reimburse the Insurer therefor upon request.

- (D) If a **Claim** is covered under more than one Coverage Part, the applicable Retention for each Coverage Part shall be applied separately to such **Claim**, provided that the maximum Retention applied to such **Claim** shall not exceed the highest of such applicable Retentions.
- (E) No Retention shall apply to **Loss** incurred by any **Insured Person** that an **Insured Entity** is not permitted by common or statutory law to indemnify, or is permitted or required to indemnify, but is not able to do so by reason of **Financial Insolvency**.
- (F) If an **Insured Entity** is permitted or required by common or statutory law to indemnify an **Insured Person** for any **Loss**, or to advance **Defense Costs** on their behalf, and does not do so other than because of **Financial Insolvency**, then such **Insured Entity** and the **Named Entity** shall reimburse and hold harmless the Insurer for the Insurer's payment or advancement of such **Loss** up to the amount of the Retention that would have applied if such indemnification had been made.
- (G) If a **Subsidiary** is unable to indemnify an **Insured Person** for any **Loss**, or to advance **Defense Costs** on their behalf, because of **Financial Insolvency**, then the **Named Entity** shall reimburse and hold harmless the Insurer for the Insurer's payment or advancement of such **Loss** up to the amount of the applicable Retention that would have applied if such indemnification had been made.

VII. DEFENSE AND SETTLEMENT

Solely with respect to all **Liability Coverage Parts**:

- (A) The Insurer shall have the right and duty to defend **Claims** covered under the Policy, even if such **Claim** is groundless, false or fraudulent, provided that:

- (1) the **Insureds** give notice to the Insurer in accordance with the applicable **Liability Coverage Parts**' notice provisions; and
- (2) such **Claim** does not involve allegations, in whole or in part, of a **Wage and Hour Violation**.

For any **Claim** involving allegations, in whole or in part, of a **Wage and Hour Violation**, it shall be the duty of the **Insureds**, and not the Insurer, to defend such **Claim**.

- (B) If the Insurer has the duty to defend a **Claim**, the Insurer's duty to defend such **Claim** shall cease upon exhaustion of any applicable Limit of Liability.

Notwithstanding the above, if Defense Outside the Limit of Liability is included in ITEM 5 of the Declarations, then the Insurer's duty, if any, to defend any **Claim** shall cease upon exhaustion of the maximum aggregate amount of **Defense Costs** available under Section V. DEFENSE COSTS, and any applicable Limit of Liability.

- (C) The **Insureds** shall not admit or assume any liability, make any settlement offer or enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** regarding any **Claim** without the prior written consent of the Insurer, such consent not to be unreasonably withheld. The Insurer shall not be liable for any admission, assumption, settlement offer or agreement, stipulation, or **Defense Costs** to which it has not consented.
- (D) The Insurer shall have the right to associate itself in the defense and settlement of any **Claim** that appears reasonably likely to involve this Policy. The Insurer may make any investigation it deems appropriate in connection with any **Claim**. The Insurer may, with the written consent of the **Insureds**, settle any **Claim** for a monetary amount that the Insurer deems reasonable.
- (E) Notwithstanding the above, if Defense Outside the Limit of Liability is included in Item 5 of the Declarations, then the Insurer may, with the written consent of the **Insureds**, settle any **Claim** for a monetary amount that the Insurer deems reasonable. However, if an **Insured** fails or refuses to consent to the settlement of a **Claim** as recommended by the Insurer and acceptable to a claimant, then:

- (1) the Insurer's duty to defend such **Claim**, if any, shall cease; and

(2) subject to the applicable Limit of Liability, the Insurer's maximum liability for such **Claim** shall be limited to the sum of:

(a) **Defense Costs** incurred up until such failure or refusal; plus

(b) 80% of **Defense Costs** incurred after such failure or refusal; plus

(c) **Loss** other than **Defense Costs** incurred to resolve such **Claim**, provided that if such amount exceeds the settlement amount recommended by the Insurer that the Insurer shall only be liable for 80% of the amount of such **Loss** in excess of such settlement amount.

(F) The **Insureds** shall give to the Insurer all information and cooperation as the Insurer may reasonably request. However, if the Insurer is, in its sole discretion, able to determine coverage for cooperating **Insureds**, the failure of one **Insured Person** to cooperate with the Insurer shall not impact coverage provided to cooperating **Insureds**.

(G) With respect to a covered **Claim** for which the Insurer does not have the duty to defend, the Insurer shall advance **Defense Costs** in accordance with section XI (B) that the Insurer believes to be covered under this Policy until a different allocation is negotiated, mediated, arbitrated or judicially determined.

VIII. MINIMUM STANDARDS

In the event that there is an inconsistency between:

(A) the terms and conditions that are required to meet minimum standards of a state's law (pursuant to a state amendatory endorsement attached to this Policy), and

(B) any other term or condition of this Policy,

it is understood and agreed that, where permitted by law, the Insurer shall apply those terms and conditions of (A) or (B) above that are more favorable to the **Insured**.

IX. EXTENDED REPORTING PERIOD

Solely with respect to all **Liability Coverage Parts**:

(A) If any **Liability Coverage Part** is cancelled or non-renewed for any reason other than non-payment of premium, the **Insureds** shall have the right to elect an extension of time to report **Claims** under such **Liability Coverage Part** (the "Extended Reporting Period").

(B) To elect the Extended Reporting Period, the **Insureds** shall send a written notice of election of the Extended Reporting Period to the Insurer together with the premium therefor. The right to elect the Extended Reporting Period shall end unless the Insurer receives such notice and premium within sixty (60) days of cancellation or non-renewal. There shall be no right to elect the Extended Reporting Period after such time.

(C) The premium for the Extended Reporting Period shall be that percentage specified in ITEM 7 of the Declarations of the sum of the original annual premium plus the annualized amount of any additional premium charged by the Insurer during the **Policy Period**. Such premium shall be deemed fully earned at the inception of the Extended Reporting Period.

(D) The Extended Reporting Period shall be for the duration specified in ITEM 7 of the Declarations following the end of the **Policy Period**.

(E) Coverage during the Extended Reporting Period shall apply to **Claims** made during the Extended Reporting Period for **Wrongful Acts** occurring prior to the earlier of the end of the **Policy Period** or the time of any transaction described in Section XIV. CHANGES IN EXPOSURE, (C) Takeover of Named Entity. No coverage shall apply for any **Wrongful Act** occurring after such time.

(F) There is no separate or additional Limit of Liability for any Extended Reporting Period.

(G) If during the Extended Reporting Period the **Insureds** first become aware of a **Wrongful Act** that may reasonably be expected to give rise to a **Claim**, and if written notice of such **Wrongful Act** is given to the Insurer during the Extended Reporting Period, including the reasons for anticipating such a **Claim**, the nature and date of the **Wrongful Act**, the identity of the **Insureds** allegedly involved, the alleged injuries or damages sustained, the names of potential claimants, and the manner in which the **Insureds** first became aware of the **Wrongful Act**, then any **Claim** subsequently made which arises from such **Wrongful Act** shall be deemed to be a **Claim** first made during the Extended Reporting Period, and therefore subject to the terms and conditions of this Policy, including, without limitation, Section VII., of these Common Terms and Conditions and the reporting requirements set forth in the NOTICE OF CLAIM provisions of this Policy, on the date that the Insurer receives the above notice.

X. INTERRELATIONSHIP OF CLAIMS

Solely with respect to all **Liability Coverage Parts**:

All **Claims** based upon, arising from or in any way related to the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed to be a single **Claim** for all purposes under this Policy first made on the earliest date that:

- (A) any of such **Claims** was first made, regardless of whether such date is before or during the **Policy Period**;
- (B) notice of any **Wrongful Act** described above was given to the Insurer under this Policy pursuant to the section titled NOTICE OF CLAIM found in the applicable **Liability Coverage Part**; or
- (C) notice of any **Wrongful Act** described above was given under any prior management liability insurance policy if such notice is accepted under such other policy.

XI. ALLOCATION

Solely with respect to all **Liability Coverage Parts**:

Where **Insureds** who are afforded coverage for a **Claim** incur an amount consisting of both **Loss** that is covered by this Policy and also loss that is not covered by this Policy because such **Claim** includes both covered and uncovered matters, then coverage shall apply as follows:

- (A) with respect to a covered **Claim** for which the Insurer has the duty to defend:
 - (1) 100% of the **Insured's Defense Costs** shall be allocated to covered **Loss**; and
 - (2) All other **Loss** shall be allocated between covered **Loss** and non-covered loss based upon the relative legal exposure of all parties to such matters.
- (B) with respect to a covered **Claim** for which the Insurer does not have the duty to defend, all **Loss** shall be allocated between covered **Loss** and non-covered loss based upon the relative legal exposure of all parties to such matters.

XII. OTHER INSURANCE

If **Loss** arising from any **Claim** is insured under any other valid and collectible policy or policies, then this Policy shall apply only in excess of the amount of any deductibles, retentions and limits of liability under such other policy or policies, whether such other policy or policies are stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other policy or policies to this Policy's Policy Number. Any payments made under any such policy(ies) will serve to offset any applicable retention amounts set forth in the Declarations.

XIII. CANCELLATION

- (A) The Insurer may cancel this Policy for non-payment of premium by sending not less than 10 days notice to the **Named Entity**. This Policy may not otherwise be cancelled by the Insurer.

- (B) Except as provided in Section XIV. CHANGES IN EXPOSURE, (C) Takeover of Named Entity, the **Insureds** may cancel this Policy by sending written notice of cancellation to the Insurer. Such notice shall be effective upon receipt by the Insurer unless a later cancellation time is specified therein.
- (C) If the Insurer cancels this Policy, unearned premium shall be calculated on a pro rata basis. If the **Insureds** cancel this Policy, unearned premium shall be calculated at the Insurer's customary short rates. Payment of any unearned premium shall not be a condition precedent to the effectiveness of a cancellation. The Insurer shall make payment of any unearned premium as soon as practicable.

XIV. CHANGES IN EXPOSURE

Solely with respect to all **Liability Coverage Parts**:

(A) Acquisitions or Created Subsidiaries

If, before or during the **Policy Period**, any **Insured Entity** acquires or creates a **Subsidiary**, then such acquired or created entity and its subsidiaries, and any natural persons that would qualify as **Insured Persons** thereof, shall be **Insureds** to the extent such entities and persons would otherwise qualify as **Insureds** under the **Liability Coverage Parts**, but only for **Wrongful Acts** occurring after the **Effective Time** of such acquisition or creation. No coverage shall be available for any **Wrongful Act** of such **Insureds** occurring before the **Effective Time** of such acquisition or creation, or for any **Interrelated Wrongful Acts** thereto.

However, if the fair value of the assets of any such acquired or created entity exceed 35% of the total assets of the **Named Entity** as reflected in its most recent consolidated financial statements prior to the **Effective Time** of such acquisition or creation, then the **Insureds** shall give the Insurer written notice and full, written details of the acquisition or creation as soon as practicable.

- (1) prior to the expiration or termination date of this Policy; or
- (2) within ninety (90) days of such acquisition or creation

whichever date is later.

There shall be no coverage under any renewal or replacement of this Policy for any newly merged entity or any of its subsidiaries, and any natural persons that would qualify as **Insured Persons** thereof, unless the **Insureds** comply with the terms of this provision.

(B) Mergers

If, before or during the **Policy Period**, any **Insured Entity** merges with another entity such that the **Insured Entity** is the surviving entity, then such merged entity and its subsidiaries, and any natural persons that would qualify as **Insured Persons** thereof, shall be **Insureds** to the extent such entities and persons would otherwise qualify as **Insureds** under the **Liability Coverage Parts**, but only for **Wrongful Acts** occurring after such merger. No coverage shall be available for any **Wrongful Act** of such **Insureds** occurring before the **Effective Time** of such merger or for any **Interrelated Wrongful Acts** thereto.

However, if the fair value of the assets of any newly merged entity exceed 35% of the total assets of the **Named Entity** as reflected in its most recent consolidated financial statements prior to such merger, then the **Insureds** shall give the Insurer written notice and full, written details of the merger as soon as practicable

- (1) prior to the expiration or termination date of this Policy; or
- (2) within ninety (90) days of such acquisition or creation

whichever date is later.

There shall be no coverage under any renewal or replacement of this Policy for any such new **Subsidiary** and its subsidiaries, and any natural persons that would qualify as **Insured Persons** thereof, unless the **Insureds** comply with the terms of this provision.

(C) Takeover of Named Entity

If, before or during the **Policy Period**:

- (1) the **Named Entity** merges into or consolidates with another entity such that the **Named Entity** is not the surviving entity; or
- (2) more than 50% of the securities representing the right to vote for the **Named Entity's** board of directors or managers is acquired by another person or entity, group of persons or entities, or persons and entities acting in concert,

then coverage shall continue under the **Liability Coverage Parts**, but only for **Wrongful Acts** occurring before the **Effective Time** of any such transaction. No coverage shall be available for any **Wrongful Act** occurring after the **Effective Time** of such transaction. Upon such transaction, this Policy shall not be cancelled and the entire premium for this Policy shall be deemed fully earned. The Insured shall give the Insurer written notice and full, written details of such transaction as soon as practicable. If any transaction described herein occurs, then the Insurer will not be obligated to offer any renewal or replacement of this Policy.

(D) Loss of Subsidiary Status

If, before or during the **Policy Period**, any entity ceases to be a **Subsidiary**, then coverage shall be available under the **Liability Coverage Parts** for such **Subsidiary** and its **Insured Persons**, but only for a **Wrongful Act** of such **Insureds** occurring before the **Effective Time** of such transaction. No coverage shall be available for any **Wrongful Act** of such **Insureds** occurring after the **Effective Time** such transaction.

XV. SUBROGATION

- (A) The Insurer shall be subrogated to all of the **Insureds'** rights of recovery regarding any payment of **Loss** by the Insurer under this Policy. The **Insureds** shall execute all papers required and do everything necessary to secure and preserve such rights, including the execution of any documents necessary to enable the Insurer to effectively bring suit in the name of the **Insureds**. The **Insureds** shall do nothing to prejudice the Insurer's position or any potential or actual rights of recovery.
- (B) Solely with respect to all **Liability Coverage Parts**, the Insurer shall not exercise its rights of subrogation against an **Insured Person** under this Policy unless such **Insured Person** has:
 - (1) obtained any personal profit, remuneration or advantage to which such **Insured Person** was not legally entitled, or
 - (2) committed a criminal or deliberately fraudulent act or omission or any willful violation of law,if a judgment or other final adjudication establishes such personal profit, remuneration, advantage, act, omission, or violation.

XVI. APPLICATION

- (A) The **Insureds** represent that the declarations and statements contained in the **Application** are true, accurate and complete. This Policy is issued in reliance upon the **Application**.
- (B) If the **Application** contains intentional misrepresentations or misrepresentations that materially affect the acceptance of the risk by the Insurer:
 - (1) For the purpose of determining coverage under all Coverage Parts other than the Directors, Officers and Entity Liability Coverage Part, no coverage shall be afforded under this Policy for any **Insureds** who knew on the Inception Date of this Policy of the facts that were so misrepresented, provided that:
 - (a) knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**; and
 - (b) knowledge possessed by any chief executive officer, general counsel, chief financial officer, human resources director or any position equivalent to the foregoing of the **Named Entity**, or anyone signing the

Application, shall be imputed to all **Insured Entities**. No other person's knowledge shall be imputed to an **Insured Entity**.

(2) For the purpose of determining coverage under the Directors, Officers and Entity Liability Coverage Part, no coverage shall be afforded under this Policy for:

- (a) any **Insured Persons**, under Insuring Agreement (A), who knew as of the Inception Date of this Policy the facts that were so misrepresented in the **Application**, provided, however, that knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**.
- (b) an **Insured Entity**, under Insuring Agreement (B), to the extent it indemnifies any **Insured Person** referenced in subparagraph (2)(a), above, and

However, notwithstanding the foregoing, under no circumstances shall the Insurer be entitled to rescind this Policy.

XVII. ACTION AGAINST THE INSURER

(A) Solely with respect to all **Liability Coverage Parts**:

- (1) No action shall be taken against the Insurer unless there shall have been full compliance with all the terms and conditions of this Policy.
- (2) No person or organization shall have any right under this Policy to join the Insurer as a party to any **Claim** against the **Insureds** nor shall the Insurer be impleaded by the **Insureds** in any such **Claim**.

(B) Solely with respect to the **Crime Coverage Part**:

- (1) No legal action shall be taken against the Insurer involving loss unless the **Insured** has complied with all the terms of this Policy; and
- (2) No legal action shall be taken against the Insurer involving loss until ninety (90) days after the **Insured** has filed proof of loss with us; and
- (3) No legal action shall be taken against the Insurer involving loss unless such action is brought within two (2) years from the date that the **Insured** discovers such loss.

(C) Solely with respect to the **Kidnap And Ransom/Extortion Coverage Part**:

No suit, action or proceeding for recovery of any claim under this Policy shall be sustainable in any court of law, equity or other tribunal unless all the requirements of this Policy shall have been complied with and the same be commenced within twenty-four (24) months after a claim for actual loss or expenses has been reported to the Insurer by the **Insured**.

XVIII. ASSIGNMENT

Assignment of interest under this Policy shall not bind the Insurer without its consent as specified in a written endorsement issued by the Insurer to form a part of this Policy.

XIX. BANKRUPTCY OR INSOLVENCY

Bankruptcy or insolvency of any **Insureds** shall not relieve the Insurer of any of its obligations under this Policy.

XX. AUTHORIZATION OF NAMED ENTITY

The **Named Entity** shall act on behalf of all **Insureds** with respect to all matters under this Policy, including, without limitation, giving and receiving of notices regarding **Claims**, cancellation, election of the Extended Reporting Period, payment of premiums, receipt of any return premiums, and acceptance of any endorsements to this Policy.

XXI. CHANGES

This Policy shall not be changed or modified except in a written endorsement issued by the Insurer to form a part of this Policy.

XXII. ENTIRE AGREEMENT

This Policy, including the Declarations, Common Terms and Conditions, included Coverage Part(s), **Application** and any written endorsements attached hereto, constitute the entire agreement between the **Insureds** and the Insurer relating to this insurance.

XXIII. NOTICE ADDRESSES

- (A) All notices to the **Insureds** shall be sent to the **Named Entity** at the address specified in ITEM 1 of the Declarations.
- (B) All notices to the Insurer shall be sent to the address specified in ITEM 9 of the Declarations. Any such notice shall be effective upon receipt by the Insurer at such address.

XXIV. HEADINGS

The headings of the various sections of this Policy are intended for reference only and shall not be part of the terms and conditions of coverage.

XXV. REFERENCES TO LAWS

- (A) Wherever this Policy mentions any law, including, without limitation, any statute, Act or Code of the U.S., such mention shall be deemed to include all amendments of, and all rules or regulations promulgated under, such law.
- (B) Wherever this Policy mentions any law or laws, including, without limitation, any statute, Act or Code of the U.S., and such mention is followed by the phrase "or any similar law", such phrase shall be deemed to include all similar laws of all jurisdictions throughout the world, including, without limitation, statutes and any rules or regulations promulgated under such statutes as well as common law.

XXVI. COVERAGE TERRITORY

Coverage under this Policy applies worldwide.

PRIVATE CHOICE PREMIERSM POLICY

NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART

I. INSURING AGREEMENTS

(A) Insured Person Liability

The Insurer shall pay **Loss** on behalf of the **Insured Persons** resulting from an **Insured Person Claim** first made against the **Insured Persons** during the **Policy Period** or Extended Reporting Period, if applicable, for a **Wrongful Act** by the **Insured Persons**, except for **Loss** that an **Insured Entity** pays to or on behalf of the **Insured Persons** as indemnification.

(B) Corporate Reimbursement

The Insurer shall pay **Loss** on behalf of an **Insured Entity** that such **Insured Entity** has, to the extent permitted or required by law, indemnified the **Insured Persons** resulting from an **Insured Person Claim** first made against the **Insured Persons** during the **Policy Period** or Extended Reporting Period, if applicable, for a **Wrongful Act** by the **Insured Persons**.

(C) Entity Liability (Elective)

If Entity Liability Coverage is included in ITEM 5 of the Declarations, the Insurer shall pay **Loss** on behalf of an **Insured Entity** resulting from an **Entity Claim** first made against such **Insured Entity** during the **Policy Period** or Extended Reporting Period, if applicable, for a **Wrongful Act** by an **Insured Entity**.

This Insuring Agreement shall be subject to the Entity Liability Coverage Retention and Prior or Pending Date in ITEM 5 of the Declarations.

II. DEFINITIONS

The following terms, whether used in the singular or plural, shall have the meanings specified below:

- “**Claim**” means any:
 - (1) **Insured Person Claim**;
 - (2) **Entity Claim**;
 - (3) **Derivative Demand**.
- “**Damages**” means the amounts, other than **Defense Costs**, that the **Insureds** are legally liable to pay solely as a result of a **Claim** covered by this **Liability Coverage Part**, including:
 - (1) compensatory damages;
 - (2) settlement amounts;
 - (3) pre- and post-judgment interest;
 - (4) costs awarded pursuant to judgments;
 - (5) regarding Insuring Agreement (D), **Investigation Costs**;
 - (6) punitive and exemplary damages;
 - (7) the multiple portion of any multiplied damage award; or

(8) where permissible by law, and notwithstanding sub-paragraph (a) below, civil penalties assessed against any **Insured Person** pursuant to Section 2(g)(2)(B) of the Foreign Corrupt Practices Act (15 U.S.C. §§ 78dd-2(g)(2)(B)).

(9) where permissible by law, and notwithstanding sub-paragraph (a) below, the 10% excise tax imposed upon an **Insured Person** pursuant to 26 U.S.C. 4958(a)(2) as the result of such **Insured Person's** alleged participation in an excess benefit transaction.

(10) where permissible by law, and notwithstanding sub-paragraph (a) below, civil penalties assessed under:

- i. IRS code section 6652(C)(1)(a) for a failure to file tax returns; provided, however, that coverage for such civil penalties referred to in this sub-paragraph is conditioned upon such penalty being the direct result of a self-reported violation;
- ii. Public Law 108-187 (the CAN-Spam Act of 2003);
- iii. the 1976 Lobby law or the Lobbying disclosure Act of 1995;

provided however that the coverage set forth in subsection (10) is subject to an aggregate sub limit of \$25,000 and said sub limit shall be a part of and not an addition to the Aggregate Limit of Liability for this coverage part.

However, **Damages** shall not include:

(a) taxes, fines or penalties imposed by law, including, without limitation, **Data Privacy Regulatory Expenses**;

(b) non-monetary relief;

(c) any matters uninsurable pursuant to any applicable law; provided, however, that with respect to punitive and exemplary damages, or the multiple portion of any multiplied damage award, the insurability of such damages shall be governed by the internal laws of any applicable jurisdiction that most favors coverage of such damages;

(d) **Notification and Credit Monitoring Expenses**; and

(e) costs incurred in testing for, abating, monitoring, cleaning-up, removing, containing, treating, detoxing or neutralizing **Pollutants**, nuclear material or nuclear waste.

(f) the return of funds, including those that the **Insured** received under any type of grant, program, contract or similar agreement or arrangement;

(g) any actual or alleged excess compensation which was paid to or received by any **Insured Person**.

- “**Data Privacy Event**” means any **Insured Entity's** negligent and improper dissemination of **Nonpublic Personal Information**.
- “**Data Privacy Laws**” means any U.S. federal, state, territorial and local statutes and regulations governing the confidentiality, control and use of **Nonpublic Personal Information** including but not limited to:

(1) Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) (“HIPAA”);

(2) Gramm-Leach-Bliley of 1999 (“G-L-B”), also known as the Financial Services Modernization Act of 1999;

(3) State privacy protection laws, including but not limited to the California Database Protection Act of 2003 (Cal. SB 1386) and Cal. Civ. Code §1798.82, that require commercial internet sites or on-line services that collect personal information or medical information (as defined by such laws or acts) to post privacy policies and adopt specific privacy controls or to notify those impacted by identity or data thief, abuse or misuse;

(4) Federal and state consumer credit reporting laws, including but not limited to the Federal Fair Credit Reporting Act (FCRA) and the California Consumer Credit Reporting Agencies Act (CCCRAA); or

(5) The Fair and Accurate Credit Transaction Act of 2003 (FACTA).

However, **Data Privacy Laws** shall not include any foreign law, regulation or statute.

- **“Data Privacy Regulatory Expenses”** means fines or penalties incurred by an **Insured Entity** and assessed pursuant to a **Data Privacy Laws** in a **Data Privacy Regulatory Proceeding**.
- **“Data Privacy Regulatory Proceeding”** means a civil, formal administrative or formal regulatory proceeding against an **Insured** by a U.S. federal, state or local governmental authority alleging violation of any **Data Privacy Laws**.
- **“Derivative Action”** means any civil proceeding against a **Manager** for a **Wrongful Act** of such **Manager** made on behalf of, or in the name or the right of, an **Insured Entity** by any security holders of such **Insured Entity**, in their capacity as such, if such proceeding is made without the assistance, participation or solicitation of any **Manager**.
- **“Derivative Demand”** means any written demand by any security holders of an **Insured Entity**, in their capacity as such, upon the board of directors or managers of such **Insured Entity** to bring a civil proceeding against a **Manager** for a **Wrongful Act** of such **Manager** if such demand is made without the assistance, participation or solicitation of any **Manager**. A **Derivative Demand** shall be deemed commenced by the receipt of such demand.
- **“Entity Claim”** means any:
 - (1) written demand for monetary damages or other civil non-monetary relief commenced by the receipt of such demand;
 - (2) civil proceeding, including an arbitration or other alternative dispute proceeding, commenced by the service of a complaint, filing of a demand for arbitration, or similar pleading; or
 - (3) criminal proceeding commenced by the return of an indictment, or formal administrative or regulatory proceeding commenced by the filing of a notice of charges, or similar document;

against an **Insured Entity**.

Entity Claim also means a written request to an **Insured Entity** to toll or waive a statute of limitations regarding a potential **Entity Claim** as described above. Such **Claim** shall be commenced by the receipt of such request.

After, and only to the extent that, an investigation qualifies as an **Insured Person Claim** in accordance with subparagraph (4) of the definition of the **Insured Person Claim** herein, **Entity Claim** also means any civil administrative or regulatory investigation of the **Insured Entity** upon such **Insured Entity’s** receipt of a formal order of investigation. **Entity Claim** shall not include any other investigation.

- **“Insured Person”** means any:
 - (1) **Manager**; or
 - (2) **Employee**.
- **“Insured Person Claim”** means any:
 - (1) written demand for monetary damages or other civil non-monetary relief commenced by the receipt of such demand against an **Insured Person**;
 - (2) civil proceeding, including an arbitration or other alternative dispute proceeding, commenced by the service of a complaint, filing of a demand for arbitration, or similar pleading against an **Insured Person**;
 - (3) criminal proceeding commenced by the return of an indictment, or formal administrative or regulatory proceeding commenced by the filing of a notice of charges, or similar document against an **Insured Person**; or
 - (4) formal civil, criminal, administrative or regulatory investigation of an **Insured Person** in which such **Insured Person** is being investigated pursuant to a Wells Notice, target letter (within the meaning of Title 9, §11.151 of

the U.S. Attorney's Manual), subpoena or similar document, as someone against whom a proceeding as set forth above may be brought.

Insured Person Claim also means a written request to an **Insured Person** to toll or waive a statute of limitations regarding a potential **Insured Person Claim** as described above. Such **Claim** shall be commenced by the receipt of such request.

Solely with regard to coverage provided under Insuring Agreement A, **Insured Person Claim** also means the service of a subpoena or other similar written request upon an **Insured Person** requiring the **Insured Person** to provide testimony or documents in connection with a covered **Claim**. However, in such situation the Insurer shall pay the **Defense Costs** which are incurred solely by the **Insured Person** who receives such subpoena or written request.

- **"Insured(s)"** means any:
 - (1) **Insured Entity**; or
 - (2) **Insured Person**.
- **"Investigation Costs"** means reasonable and necessary expenses incurred in the investigation and evaluation of a **Derivative Demand** by an **Insured Entity**, including its board of directors, board of managers, or any committee thereof, provided that **Investigation Costs** shall not include salaries, wages, remuneration, overhead or benefit expenses associated with any **Insureds**.
- **"Legal Services Wrongful Act"** means professional legal services and notarizing services rendered to an **Insured Entity** by an **Insured Person** solely while acting in their capacity as an **Insured Person**.
- **"Nonpublic Personal Information"** means a natural person's first name and last name in combination with any one or more of the following:
 - (1) social security number;
 - (2) medical or healthcare information or data;
 - (3) drivers license number or state identification number; or
 - (4) financial account information that would permit access to that individual's financial account.
- **"Notice Manager"** means the natural persons in the offices of the chief executive officer, chief financial officer, or any equivalent position to the foregoing, of the **Named Entity**.
- **"Notification and Credit Monitoring Expenses"** means the amount of reasonable and necessary expenses incurred by the **Insured Entity**:
 - (1) to notify its customers or clients of a **Data Privacy Event** to comply with **Notification Laws**;
 - (2) for credit monitoring services offered by the **Insured Entity** to individuals after a **Data Privacy Event** to comply with **Notification Laws**; or
 - (3) to provide courtesy notifications to individuals when such notifications are not mandated by **Notification Laws** but are reasonably necessary to preserve the reputation and good name of the **Insured Entity**.
- **"Notification Laws"** means any U.S. statute or regulation that, at the time of a **Data Privacy Event**, requires an **Insured Entity** storing **Nonpublic Personal Information** on a computer system to provide notice to specified individuals of any actual or potential **Data Privacy Event**. However, **Notification Laws** shall not include any foreign law, regulation or statute.
- **"Outside Capacity"** means service by an **Insured Person** as a director, officer, trustee, regent, governor or equivalent executive of an **Outside Entity** with the knowledge and consent of or at the request of an **Insured Entity**.
- **"Outside Entity"** means any:

(1) not-for-profit corporation, community chest, fund or foundation that is exempt from federal income tax as an organization described in Section 501(c)(3), 501(c)(4), 501(c)(7), & 501(c)(10) of the Internal Revenue Code of 1986,

(2) entity organized for a religious or charitable purpose under any not-for-profit statute, or

(3) entity listed as an **Outside Entity** in a written endorsement issued by the Insurer to form a part of this Policy, that is not an **Insured Entity**.

- “**Personal Injury**” means any actual or alleged false arrest, wrongful detention or imprisonment, malicious prosecution, wrongful entry or wrongful eviction.
- “**Publishers and Advertisers Injury**” means any actual or alleged libel, slander, defamation, plagiarism, misappropriation of ideas, infringement of copyright or trademark and unauthorized use of title.
- “**Whistleblowing**” means an **Insured Person’s** lawful act of providing information, causing information to be provided, or otherwise assisting in an investigation regarding any conduct which the **Insured Person** reasonable believes constitutes a violation of any federal, state or foreign law.
- “**Wrongful Act**” means any actual or alleged:
 - (1) error, misstatement, misleading statement, act, omission, neglect, or breach of duty, committed by an **Insured Person** in their capacity as such or in their **Outside Capacity**, or, with regard to Insuring Agreement (C) an **Insured Entity**; or
 - (2) matter claimed against an **Insured Person**, solely by reason of their serving in such capacity, including service in an **Outside Capacity**.
 - (3) **Publishers and Advertisers Injury** committed by an **Insured Person** in their capacity as such or in their **Outside Capacity**, or, with regard to Insuring Agreement (C) an **Insured Entity**
 - (4) **Personal Injury** committed by an **Insured Person** in their capacity as such or in their **Outside Capacity**, or, with regard to Insuring Agreement (C) an **Insured Entity**
- **Wrongful Act** also includes a **Legal Services Wrongful Act**, which is only covered if elected on the Declarations.

III. COVERAGE EXTENSIONS

(A) OUTSIDE DIRECTORSHIP LIABILITY

Subject to the terms and conditions of this Policy and **Liability Coverage Part**, coverage is afforded for **Loss** resulting from any **Insured Person Claim** against an **Insured Person** for a **Wrongful Act** in an **Outside Capacity**. Such coverage shall be specifically excess of any indemnity and insurance available from or provided by the **Outside Entity**. Payment by the Insurer or any **Affiliate** under any other insurance policy as a result of such **Claim** shall reduce, by the amount of such payment, the Insurer’s Limit of Liability available under this Policy for such **Claim**.

(B) DATA PRIVACY EVENT EXPENSE COVERAGES

If an **Insured Person** first discovers a **Data Privacy Event** during the **Policy Period** and, as conditions precedent, (i) the **Insured Entity** notifies the Insurer in writing of such **Data Privacy Event** within 30 days of such discovery and (ii) at all times endeavors to use its best efforts to mitigate the effect and, if still occurring, duration of such **Data Privacy Event**, then, subject to the Insurer’s prior written consent, such consent not to be unreasonably withheld, the Insurer shall reimburse the **Insured Entity** for **Data Privacy Regulatory Expenses** and **Notification and Credit Monitoring Expenses** resulting from such **Data Privacy Event**, subject to the following additional terms and conditions:

- (1) All **Data Privacy Events** that have as a common nexus any fact, circumstance, situation, event, transaction, goal, motive, methodology, or cause or series of causally connected facts, circumstances, situations, events, transactions, goals, motives, methodologies or causes are deemed one **Data Privacy Event** first occurring on the date of the first such dissemination of **Nonpublic Personal Information**.

- (2) All exclusions applicable to **Loss** under this **Liability Coverage Part**, other than exclusion V.(A)(6), also apply to any **Data Privacy Regulatory Expenses** and **Notification and Credit Monitoring Expenses**.
- (3) Coverage provided by this extension shall be subject to a Sub-limit of \$50,000. Such Sub-limit shall be the maximum aggregate amount that the Insurer shall pay under this **Liability Coverage Part** for all **Data Privacy Regulatory Expenses** and **Notification and Credit Monitoring Expenses** from all **Data Privacy Events**. Such Sub-limit shall be part of, and not in addition to, the Aggregate Limit of Liability applicable to this **Liability Coverage Part**.
- (a) Coverage provided by this extension shall not be available for any **Data Privacy Event** that an **Insured** discovers during any Extended Reporting Period.

IV. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS

The Insurer shall not pay **Loss**:

- (A) for bodily injury, sickness, disease, emotional distress, mental anguish, or death of any person, or damage to or destruction of any tangible property, including loss of use or diminution of value thereof;
- (B) in connection with any **Claim** based upon, arising from, or in any way related to any prior or pending written demand, suit or proceeding against any **Insureds** as of the applicable Prior or Pending Date in ITEM 5 of the Declarations or the same or any substantially similar fact, circumstance or situation underlying or alleged in such demand, suit or proceeding;
- (C) in connection with any **Claim** based upon, arising from, or in any way related to any fact, circumstance, situation or **Wrongful Act** that, before the Inception Date in ITEM 3 of the Declarations, was the subject of any notice given under any other directors and officers, management liability, or similar insurance policy of which this coverage part is a direct or indirect renewal or replacement if such notice is accepted under such other policy;
- (D) in connection with any **Claim** based upon, arising from, or in any way related to any:
 - (1) actual or alleged discharge, dispersal, release, or escape of **Pollutants**, or any threat of such discharge, dispersal, release or escape; or
 - (2) direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**;
- (E) in connection with any **Claim** based upon, arising from, or in any way related to any:
 - (1) claims for unpaid wages (including overtime pay), workers' compensation benefits, unemployment compensation, disability benefits or social security benefits;
 - (2) actual or alleged violation of the Equal Pay Act, Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, or any similar law; or
 - (3) any **Wage and Hour Violation**;
- (F) for any actual or alleged violation of **ERISA** or any similar law;
- (G) in connection with any **Claim** brought or maintained by, on behalf of, or for the benefit of an **Insured Entity**;
- (H) of an **Insured Person** based upon, arising from, or in any way related to such **Insured Person's** service, at any time, as a director, officer, trustee, regent, governor or equivalent executive or as an employee of any entity other than an **Insured Entity** even if such service is at the direction or request of such **Insured Entity**, provided that this exclusion shall not apply to coverage afforded under Section III. of this **Liability Coverage Part** for a **Claim** for a **Wrongful Act** by an **Insured Person** while serving in an **Outside Capacity**;

- (I) in connection with any **Claim** by or on behalf of any **Outside Entity** upon which an **Insured Person** is serving or has served in an **Outside Capacity**, or any past or present director, officer, trustee, regent, governor or equivalent executive of such **Outside Entity**,
- (J) in connection with any **Claim** based upon, arising from, or in any way related to any public listing or offering of securities of an **Insured Entity** or the purchase or sale of such securities subsequent to such listing or offering, or the violation of any securities laws or regulations anywhere in the world;
- (K) of an **Insured**, based upon, arising from, or in any way related to the gaining of any personal financial profit, remuneration or advantage to which such **Insured** is not legally entitled if a judgment or other non-appealable final adjudication in the underlying action establishes that such a gain did occur; or
- (L) of an **Insured**, based upon, arising from, or in any way related to any criminal or deliberately fraudulent act or omission or any willful violation of law by such **Insured** if a judgment or other non-appealable final adjudication in the underlying action establishes such an act, omission or violation; provided, however, that this exclusion shall only apply to **Insured Entities** under Insuring Agreement (C), if elected, if a past or present chief executive officer, chief financial officer, general counsel or any position equivalent to the foregoing of the **Named Entity** committed such an act, omission or willful violation.

Regarding exclusions (K) and (L) above: The **Wrongful Act** of an **Insured** shall not be imputed to any other **Insured**.

- (M) The **Insurer** shall not pay **Loss** under Insuring Agreement (C) in connection with any **Claim** based upon, arising from, or in any way related to any actual or alleged:
 - (1) malfunction of any product, or failure of any product to perform in any manner as a result of any deficiency, inadequacy, unfitness, defect or dangerous condition in any product or in its design or manufacture; or
 - (2) rendering of, or failure to render, any professional services for or on behalf of others, including, without limitation, services performed by or on behalf of the **Insureds** for or on behalf of a customer or client;

V. EXCLUSIONS APPLICABLE TO INSURING AGREEMENT (C)

- (A) The **Insurer** shall not pay **Loss** under Insuring Agreement (C) in connection with any **Claim** based upon, arising from, or in any way related to any actual or alleged:
 - (1) liability under any contract or agreement, provided that this exclusion shall not apply to the extent that liability would have been incurred in the absence of such contract or agreement. This exclusion does not apply to **Defense Costs**;
 - (2) employment-related **Wrongful Act**;
 - (3) discrimination or sexual harassment;
- (B) The **Insurer** shall not pay **Loss** under Insuring Agreement C for any **Claim** based upon, arising from, or in any way related to the actual or alleged payment by an **Insured Entity** of inadequate consideration in connection with an **Insured Entity's** purchase of securities issued by any **Insured Entity**; provided, however, that this exclusion shall not apply to the portion of **Loss** representing **Defense Costs** incurred to defend such allegations.

VI. ADDITIONAL LIMIT OF LIABILITY FOR CLAIMS AGAINST MANAGERS

Subject to the terms and conditions of this Policy and **Liability Coverage Part**, an additional Limit of Liability of \$1,000,000 shall be available for **Loss** resulting from **Insured Person Claims** against **Managers**, provided that:

- (A) such **Claims** are covered under Insuring Agreement A; and
- (B) such additional Limit of Liability shall be excess of all other insurance available to pay **Loss** for such **Claims**, including, without limitation, this Policy, any insurance written specifically as excess over this Policy, and any insurance intended to provide coverage for non-indemnified **Insured Person Claims**, which such insurance must be exhausted prior to this additional Limit of Liability becoming available to pay **Loss**.

The additional Limit of Liability described above shall be the maximum aggregate amount that the Insurer shall pay for all **Loss** from all **Claims** covered under this provision.

VII. DERIVATIVE DEMAND COVERAGE

The Insurer shall pay **Investigation Costs** on behalf of an **Insured Entity** that such **Insured Entity** incurs resulting from a **Derivative Demand** first made during the **Policy Period** or Extended Reporting Period, if applicable.

This coverage shall be subject to a Sub-limit of Liability of \$500,000. Such Sub-limit of Liability shall be the maximum aggregate amount that the Insurer shall pay for all **Loss** from all **Claims** covered hereunder. Such Sub-limit of Liability shall be part of, and not in addition to, the Limit of Liability applicable to this **Liability Coverage Part**. No Retention shall apply to this coverage.

VIII. ORDER OF LOSS PAYMENTS

- (A) If **Loss** is incurred that is acknowledged by the Insurer to be covered under this **Liability Coverage Part**, except that such **Loss** exceeds the remaining available Limit of Liability for this **Liability Coverage Part**, the Insurer shall first pay **Loss** covered under Insuring Agreement A prior to paying **Loss** under any other Insuring Agreements.
- (B) If **Loss** is incurred that is acknowledged by the Insurer to be covered under any Insuring Agreement other than Insuring Agreement A, the **Named Entity** shall have the right to direct the Insurer to delay payment of such **Loss** until such time as the **Named Entity** specifies. Any such direction by the **Named Entity** to delay or make payment of **Loss** shall be by written notice to the Insurer. Any such delayed payment of **Loss** shall be available to the Insurer to pay **Loss** covered under Insuring Agreement A. Any payment of **Loss** under Insuring Agreement A out of funds withheld by the Insurer pursuant to this provision shall terminate the Insurer's liability to make a delayed payment of **Loss** under any Insuring Agreement other than A by the amount of the payment under Insuring Agreement A. No interest shall be due regarding any delayed payment of **Loss**. Nothing in this provision shall increase the Insurer's Limit of Liability applicable to this **Liability Coverage Part**.

IX. RETENTION WAIVER

No Retention shall apply to **Defense Costs** incurred in connection with a **Claim**, and the Insurer shall reimburse the **Insureds** for any covered **Defense Costs** paid by the **Insureds** within the Retention otherwise applicable to such **Claim**, if a:

- (A) final adjudication with prejudice pursuant to a trial, motion to dismiss or motion for summary judgment; or
- (B) complete and final settlement with prejudice;

establishes that none of the **Insureds** in such **Claim** are liable for any **Loss**.

X. NOTICE OF CLAIM

- (A) As a condition precedent to coverage under this **Liability Coverage Part**, the **Insureds** shall give the Insurer written notice of any **Claim** as soon as practicable after a **Notice Manager** becomes aware of such **Claim**, but in no event later than:

- (1) if this Policy expires or is otherwise terminated without being renewed with the Insurer, ninety (90) days after the effective date of said expiration or termination; or
- (2) the expiration of the Extended Reporting Period, if applicable;

provided, however, that if the Policy is cancelled for non payment of premium, the **Insured** will give the Insurer written notice of such **Claim** prior to the effective date of cancellation.

- (B) If during the **Policy Period** the **Insureds** become aware of a **Wrongful Act** that may reasonably be expected to give rise to a **Claim**, and if written notice of such **Wrongful Act** is given to the Insurer during the **Policy Period**, including

the reasons for anticipating such a **Claim**, the nature and date of the **Wrongful Act**, the identity of the **Insureds** allegedly involved, the alleged injuries or damages sustained, the names of potential claimants, and the manner in which the **Insureds** first became aware of the **Wrongful Act**, then any **Claim** subsequently made which arises from such **Wrongful Act** shall be deemed to be a **Claim** first made during the **Policy Period**, and therefore subject to the terms and conditions of this Policy, including, without limitation, Section VII. of the Common Terms and Conditions and the reporting requirements set forth in Section X.(A) above, on the date that the Insurer receives the above notice.

- (C) If, during the **Policy Period**, the **Insureds** first become aware of a **Wrongful Act** by an **Insured** in connection with a qui tam complaint filed under seal pursuant to Section 3730 of The False Claims Act (31 U.S.C. § 3730) that was first made public during the **Policy Period**, and previously unbeknownst to any **Insured** other than the **Whistleblower** who filed such complaint, then any **Claim** subsequently made that arises therefrom shall be deemed to be a **Claim** first made during this **Policy Period** and therefore subject to the terms and conditions of this Policy, including, without limitation, Section VII. of the Common Terms and Conditions and the reporting requirements set forth in Section X. (A) above; provided, however, that such complaint was not the subject of any notice given under any other insurance policy for which this Policy is a renewal or replacement.

PRIVATE CHOICE PREMIERSM POLICY

EMPLOYMENT PRACTICES LIABILITY COVERAGE PART

I. INSURING AGREEMENTS

(A) Employment Practices Liability

The Insurer shall pay **Loss** on behalf of the **Insureds** resulting from an **Employment Practices Claim** first made against the **Insureds** during the **Policy Period** or Extended Reporting Period, if applicable, for an **Employment Practices Wrongful Act** by the **Insureds**.

(B) Third Party Liability (Elective)

If Third Party Liability Coverage is included in ITEM 5 of the Declarations, the Insurer shall pay **Loss** on behalf of the **Insureds** resulting from a **Third Party Claim** first made against the **Insureds** during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Third Party Wrongful Act** by the **Insureds**.

This Insuring Agreement shall be subject to the Third Party Liability Coverage Sub-limit of Liability, Retention, and Prior or Pending Date in ITEM 5 of the Declarations. Such Sub-limit of Liability shall be the maximum aggregate amount that the Insurer shall pay under this Insuring Agreement for all **Loss** from all **Claims** covered under this Insuring Agreement. Such Sub-limit of Liability shall be subject to, part of, and not in addition to, the Limit of Liability applicable to this **Liability Coverage Part**.

II. DEFINITIONS

The following terms, whether used in the singular or plural, shall have the meanings specified below:

- “**Benefits**” means perquisites, fringe benefits, deferred compensation, severance pay and any other form of compensation (other than salaries, wages, or bonuses as a component of a front or back pay award).
- “**Claim**” means any:
 - (1) **Employment Practices Claim**; or
 - (2) **Third Party Claim**.
- “**Damages**” means the amounts, other than **Defense Costs**, that the **Insureds** are legally liable to pay solely as a result of a **Claim** covered by this **Liability Coverage Part**, including:
 - (1) compensatory damages, including front pay and back pay award;
 - (2) settlement amounts;
 - (3) pre- and post-judgment interest;
 - (4) costs awarded pursuant to judgments, including any **Training Costs** provided, however, that coverage for **Training Costs** is conditioned upon such **Loss** being subject to the Training Costs Sub-limit specified in ITEM 5 of the Declarations, said Training Costs Sub-Limit being part of, and not in addition to, the Aggregate Limit of Liability for this **Liability Coverage Part**;
 - (5) punitive and exemplary damages;
 - (6) the multiple portion of any multiplied damage award; or
 - (7) liquidated damages under the Age Discrimination in Employment Act, the Family and Medical Leave Act and the Equal Pay Act.

However, **Damages** shall not include:

- (a) taxes, fines or penalties imposed by law;
 - (b) non-monetary relief;
 - (c) **Benefits**;
 - (d) future compensation for any person hired, promoted, or reinstated pursuant to a judgment, settlement, order or other resolution of a **Claim**;
 - (e) **Stock Benefits**;
 - (f) costs associated with providing any accommodations required by the Americans with Disabilities Act or any similar law; (other than **Training Costs**); or
 - (g) any other matters uninsurable pursuant to any applicable law; provided, however, that with respect to punitive and exemplary damages, or the multiple portion of any multiplied damage award, the insurability of such damages shall be governed by the internal laws of any applicable jurisdiction that most favors coverage of such damages.
- “**Employee Data Privacy Wrongful Act**” means:
 - (1) the failure to prevent any unauthorized access to or use of data containing **Private Employment Information** of any **Employee** or applicant for employment with the **Insured Entity** including any such failure that directly results in a violation with respect to the privacy of such **Employee’s** or applicant’s medical information under the Health Insurance Portability and Accountability Act or credit information under the Fair Credit Reporting Act; or
 - (2) the failure to notify any **Employee** or applicant for employment with the **Insured Entity** of any actual or potential unauthorized access to or use of **Private Employment Information** of any **Employee** or applicant for employment with the **Insured Entity**, if such notice was required by state or federal regulation or statute.
 - “**Employment Practices Claim**” means any of the following if made by or on behalf of an **Employee**, an applicant for employment with an **Insured Entity**, or an **Independent Contractor**:
 - (1) a written demand for monetary damages or other civil non-monetary relief commenced by the receipt of such demand, including, without limitation, a written demand for employment reinstatement;
 - (2) a civil proceeding, including an arbitration or other alternative dispute resolution proceeding, commenced by the service of a complaint, filing of a demand for arbitration, or similar pleading;
 - (3) a formal administrative or regulatory proceeding, including, without limitation, a proceeding before the Equal Employment Opportunity Commission or similar governmental agency, commenced by the **Insured’s** receipt of a notice of charges, formal investigative order or similar document, or by the **Insured’s** having evidence of a filing related thereto; or
 - (4) a criminal proceeding commenced by the return of an indictment or similar document.

Employment Practices Claim also means:

- (a) the receipt of a notice of violation, order to show cause, or a written demand for monetary or injunctive relief that is the result of an audit conducted by the U.S. Office of Federal Contract Compliance Programs.
- (b) a written request to the **Insureds** to toll or waive a statute of limitations regarding a potential **Employment Practices Claim** as described above. Such **Claim** shall be commenced by the receipt of such request.

However, **Employment Practices Claim** shall not include any labor or grievance proceeding or arbitration that is subject to a collective bargaining agreement.

- “**Employment Practices Wrongful Act**” means any:

- (1) wrongful dismissal, discharge, or termination of employment (including constructive dismissal, discharge, or termination), wrongful failure or refusal to employ or promote, wrongful discipline or demotion, failure to grant tenure, negligent employment evaluation, or wrongful deprivation of career opportunity;
- (2) sexual or other workplace harassment, including bullying in the workplace, quid pro quo and hostile work environment;
- (3) employment discrimination, including discrimination based upon age, gender, race, color, national origin, religion, creed, marital status, sexual orientation or preference, gender identity or expression, genetic makeup, or refusal to submit to genetic makeup testing, pregnancy, disability, HIV or other health status, Vietnam Era Veteran or other military status, or other protected status established under federal, state, or local law, including any such discrimination as a result of disparate treatment;

(4) Retaliation;

- (5) breach of any oral, written, or implied employment contract, including, without limitation, any obligation arising from a personnel manual, employee handbook, or policy statement;
- (6) employment-related defamation (including libel and slander) or misrepresentation;
- (7) employment-related violation of the Age Discrimination in Employment Act, the Family and Medical Leave Act and the Equal Pay Act; or
- (8) violation of the Uniformed Services Employment and Reemployment Rights Act.

Employment Practices Wrongful Act also means the following, but only when alleged in addition to or as part of any **Employment Practices Wrongful Act** described above:

- (a) an employment-related wrongful infliction of mental anguish or emotional distress;
- (b) the failure to create, provide for or enforce adequate or consistent employment-related policies and procedures;
- (c) the negligent retention, supervision, hiring or training of **Employees or Independent Contractors**;
- (d) employment-related: false arrest or imprisonment;
- (e) an employment-related invasion of privacy, including, without limitation, an **Employee Data Privacy Wrongful Act**; or
- (f) the breach of an **Independent Contractor Agreement**.

- “**Independent Contractor**” means any natural person working in the capacity of an independent contractor pursuant to an **Independent Contractor Agreement**.
- “**Independent Contractor Agreement**” means any express contract or agreement between an **Independent Contractor** and an **Insured Entity** specifying the terms of the **Insured Entity’s** engagement of such **Independent Contractor**.
- “**Insured Person**” means any:

(1) **Employee**;

(2) **Manager**; or

(3) **Independent Contractor** but only:

(a) while she/he is acting on behalf of an **Insured Entity**; and

(b) if and to extent that the **Insured Entity** agrees to indemnify him/her in the same manner as the **Insured Entity’s Employees** for liability for **Loss**.

- **“Insureds”** means any **Insured Entity** or **Insured Person**.
- **“Notice Manager”** means the natural persons in the offices of the chief executive officer, chief financial officer, human resources manager or any equivalent position to the foregoing, of an **Insured Entity**.
- **“Private Employment Information”** means any information regarding an **Employee** or applicant for employment with the **Insured Entity**, which is collected or stored by an **Insured** for the purposes of establishing, maintaining or terminating an employment relationship.
- **“Retaliation”** means adverse treatment of an **Employee** or **Independent Contractor** based upon such person:
 - (1) exercising any rights under law, including, without limitation, rights under any workers compensation laws, the Family and Medical Leave Act, **ERISA**, or the Americans with Disabilities Act;
 - (2) refusing to violate any law;
 - (3) assisting, testifying, or cooperating with a proceeding or investigation regarding alleged violations of law by any **Insured**;
 - (4) disclosing or threatening to disclose alleged violations of law to a superior or to any governmental agency; or
 - (5) filing any “whistle blower” claim against any **Insured** under the federal False Claims Act, the Sarbanes-Oxley Act of 2002, or any similar law.
- **“Stock Benefits”** means any offering, plan or agreement between an **Insured Entity** and any **Employee** that grants stock, stock options or stock appreciation rights in the **Insured Entity** to such person, including, without limitation, restricted stock or any other stock grant. **Stock Benefits** shall not include employee stock ownership plans or employee stock purchase plans.
- **“Third Party”** means any natural person who is a customer, vendor, service provider or other business invitee of an **Insured Entity**. **Third Party** shall not include **Employees**.
- **“Third Party Claim”** means any of the following made by or on behalf of a **Third Party**:
 - (1) a written demand for monetary damages or other civil non-monetary relief commenced by the receipt of such demand;
 - (2) a civil proceeding, including an arbitration or other alternative dispute resolution proceeding, commenced by the service of a complaint, filing of a demand for arbitration, or similar pleading; or
 - (3) formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document;

Third Party Claim also means a written request to the **Insureds** to toll or waive a statute of limitations regarding a potential **Third Party Claim** as described above. Such **Claim** shall be commenced by the receipt of such request.
- **“Third Party Wrongful Act”** means:
 - (1) discrimination against a **Third Party** based upon age, gender, race, color, national origin, religion, creed, marital status, sexual orientation or preference, pregnancy, disability, HIV or other health status, Vietnam Era Veteran or other military status, or other protected status established under federal, state or local law; or
 - (2) sexual harassment or other harassment of a **Third Party**, including unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature.
- **“Training Costs”** means the reasonable costs of training and education for sensitivity, anti-harassment, minority development or diversity programs but only when required under the terms of a settlement, judgment or consent decree; provided, however, that such training and education is commenced and completed within 12 months of the date of said settlement, judgment or consent decree.
- **“Wrongful Act”** means any actual or alleged:

(1) **Employment Practices Wrongful Act**; or

(2) **Third Party Wrongful Act**.

III. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS

(A) The Insurer shall not pay **Loss**:

(1) for bodily injury, sickness, disease, death, false arrest or imprisonment, abuse of process, malicious prosecution, trespass, nuisance or wrongful entry or eviction, or for injury to or destruction of any tangible property including loss of use or diminution of value thereof; provided, however, that this exclusion shall not apply to that portion of **Loss** that directly results from employment-related:

(a) defamation (including libel and slander) or misrepresentation; or

(b) wrongful infliction of mental anguish or emotional distress, false arrest or imprisonment, invasion of privacy (including an **Employee Data Privacy Wrongful Act**) when alleged in connection with an otherwise covered **Employment Practices Wrongful Act**;

(2) for any actual or alleged **Wrongful Act** by **Insured Persons** of any **Subsidiary** in their capacities as such, or by any **Subsidiary**, if such **Wrongful Act** actually or allegedly occurred when such entity was not a **Subsidiary**;

(3) in connection with any **Claim** based upon, arising from, or in any way related to any:

(a) prior or pending written demand, suit, or proceeding against any **Insured** as of, or

(b) initiated by the U.S. Office of Federal Contract Compliance Programs before

the applicable Prior or Pending Date in ITEM 5 of the Declarations, or the same or substantially similar fact, circumstance, or situation underlying or alleged in such demand, suit, proceeding, or audit;

(4) in connection with any **Claim** based upon, arising from, or in any way related to any fact, circumstance, or situation that, before the inception date in ITEM 3 of the Declarations, was the subject of any notice given under any other employment practices liability policy, management liability policy or other insurance policy which insures **Wrongful Acts** covered under this Policy if such notice is accepted under such policy;

(5) in connection with any **Claim** based upon, arising from, or in any way related to the liability of others assumed by an **Insured** under any contract or agreement; provided, however, this exclusion shall not apply to liability that would have attached in the absence of such contract or agreement;

(6) for breach of any **Independent Contractor Agreement**; provided, however, that this exclusion will not apply to liability that would have attached in the absence of such contract nor shall it apply to that portion of **Loss** representing **Defense Costs** incurred to defend against such liability; or

(7) for a lockout, strike, picket line, hiring of replacement workers or similar action in connection with any labor dispute, labor negotiation or collective bargaining agreement.

(B) The Insurer shall not pay **Loss** in connection with any **Claim** based upon, arising from, or in any way related to:

(1) any claims for unpaid wages (including overtime pay), workers' compensation benefits, unemployment compensation, disability benefits, or social security benefits;

(2) any actual or alleged violation of the Worker Adjustment and Retraining Notification Act, the National Labor Relations Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, **ERISA**, or any similar law; or

(3) any **Wage and Hour Violation**

Provided, however, that this exclusion (B) shall not apply to that portion of **Loss** that represents

- (a) a specific amount the **Insureds** become legally obligated to pay solely for a **Wrongful Act** of **Retaliation** or discrimination; or
- (b) **Defense Costs** incurred to defend a **Wage and Hour Violation** referenced in sub-paragraph (3) above subject to the Wage & Hour Defense Costs Sub-Limit of set forth in Item 5 of the Declarations, subject to the following:
 - (i) section XI. (B) of the Common Terms and Conditions notwithstanding, 100% of the **Insured's Defense Costs** covered pursuant to this sub-paragraph (b) shall be allocated to covered **Loss** until the Wage & Hour Defense Costs Sub-Limit is exhausted. Once the Wage and Hour Defense Costs Sub-Limit is exhausted, allocation shall continue in accordance with section XI. (B) of the Common Terms and Conditions; and
 - (ii) the Wage and Hour Defense Costs Sub-Limit is available notwithstanding the fact that a **Wage and Hour Violation** is not an **Employment Practices Wrongful Act**.
- (C) The Insurer shall not pay **Loss** in connection with any **Claim** based upon, arising from, or in any way related to liability incurred for breach of any oral, written, or implied employment contract; provided, however, that this exclusion shall not apply to liability that would have been incurred in the absence of such contract nor shall it apply to the portion of **Loss** representing **Defense Costs** incurred to defend against such liability.

IV. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENT (B)

Solely with respect to Insuring Agreement (B), the Insurer shall not pay **Loss** in connection with any **Third Party Claim** based upon, arising from or in any way related to any price discrimination or violation of any anti-trust law or any similar law designed to protect competition or prevent unfair trade practices.

V. OTHER INSURANCE

- (A) The coverage provided under this Policy for any **Employment Practices Claim** shall be primary.
- (B) Notwithstanding the above, the coverage provided under this Policy for any **Employment Practices Claim** made against a temporary, leased or loaned **Employee** or an **Independent Contractor** shall be excess of the amount of any deductible, retention and limits of liability under any other policy or policies applicable to such **Claim**, whether such other policy or policies are stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other policy or policies to this Policy's Policy Number.

VI. NOTICE OF CLAIM

- (A) As a condition precedent to coverage under this **Liability Coverage Part**, the **Insureds** shall give the Insurer written notice of any **Claim** as soon as practicable after a **Notice Manager** becomes aware of such **Claim**, but in no event later than:
 - (1) ninety (90) days after the effective date of said expiration or termination if this Policy expires or is otherwise terminated without being renewed with the Insurer; or
 - (2) the expiration of the Extended Reporting Period, if applicable;
 provided, however, that if the Policy is cancelled for non payment of premium, the **Insured** will give to the Insurer written notice of such **Claim**, prior to the effective date of cancellation.
- (B) However, with regard to any **Employment Practices Claim** which is brought as a formal administrative or regulatory proceeding, including, without limitation, a proceeding before the Equal Employment Opportunity Commission or similar governmental agency, commenced by the filing of a notice of charge, formal investigative order or similar document, as a condition precedent to coverage under this Policy the **Insureds** shall give the Insurer written notice of any **Claim** as soon as practicable after a **Notice Manager** becomes aware of such **Claim**, but in no event later than:

- (1) ninety (90) days after the effective date of said expiration or termination if this Policy expires or is otherwise terminated without being renewed with the Insurer;
- (2) one hundred eighty (180) days after the renewal date, if this Policy is renewed with the Insurer; or
- (3) the expiration of the Extended Reporting Period, if applicable;

provided, if this Policy is cancelled for non payment of premium, the **Insured** will give to the Insurer written notice of such **Claim**, prior to the effective date of cancellation.

(C) If, during the **Policy Period**, the **Insureds** become aware of a **Wrongful Act** that may reasonably be expected to give rise to a **Claim**, and, if written notice of such **Wrongful Act** is given to the Insurer during the **Policy Period**, including the reasons for anticipating such a **Claim**, the nature and date of the **Wrongful Act**, the identity of the **Insureds** allegedly involved, the alleged injuries or damages sustained, the names of potential claimants, and the manner in which the **Insureds** first became aware of the **Wrongful Act**, then any **Claim** subsequently made which arises from such **Wrongful Act** shall be deemed to be a **Claim** first made during the **Policy Period**, and therefore subject to the terms and conditions of this Policy, including, without limitation, Section VII. Of the Common Terms and Conditions and the reporting requirements set forth in Section VI.(A) and (B) above, on the date that the Insurer receives the above notice.

VII. RETENTION WAIVER

Regarding a **Claim** that is a class action civil proceeding, no Retention shall apply to **Defense Costs** incurred in connection with such **Claim**, and the Insurer shall reimburse the **Insureds** for any covered **Defense Costs** paid by the **Insureds** within the Retention otherwise applicable to such **Claim**, if a:

- (A) final adjudication with prejudice pursuant to a trial, motion to dismiss or motion for summary judgment; or
- (B) complete and final settlement with prejudice;

establishes that none of the **Insureds** in such **Claim** are liable for any **Loss** other than **Defense Costs**.

VIII. COORDINATION OF COVERAGE

If this **Liability Coverage Part** and either the Directors, Officers and Entity Liability Coverage Part or Fiduciary Liability Coverage Part are included under this Policy, and a **Claim** is covered under this **Liability Coverage Part** and any such other **Liability Coverage Part**, **Loss** shall be first covered and paid under this **Liability Coverage Part**.

If notice of a **Claim** has been given under either the Directors, Officers and Entity Liability Coverage Part or Fiduciary Liability Coverage Part and a determination is made by the Insurer that such **Claim** would be covered under this **Liability Coverage Part** if notice had been given under this **Liability Coverage Part**, then the **Insureds** shall be deemed to have given notice of such **Claim** under this **Liability Coverage Part** at the same time that notice was given under such other **Liability Coverage Part**.

PRIVATE CHOICE PREMIERSM POLICY
FIDUCIARY LIABILITY COVERAGE PART

I. INSURING AGREEMENTS

(A) Fiduciary Liability

The Insurer shall pay **Loss** on behalf of the **Insureds** resulting from a **Fiduciary Claim** first made against the **Insureds**:

- (1) during the **Policy Period** or Extended Reporting Period, if applicable, for a **Wrongful Act** by the **Insureds** or by any person for whose **Wrongful Acts** the **Insureds** are legally responsible, subject to sub-paragraph (2) below; or
- (2) during the **Policy Period** that is a **Benefit Denial Appeal** or **Pre-Claim Inquiry**.

(B) Settlement Programs (Elective)

If Settlement Program Coverage is included in ITEM 5 of the Declarations, the Insurer shall pay **Settlement Fees** on behalf of the **Insureds** resulting from a **Settlement Program** for which a **Settlement Program Notice** is received by the Insurer during the **Policy Period** or Extended Reporting Period, if applicable, for a **Wrongful Act** by the **Insureds**.

This Insuring Agreement shall be subject to the Sub-limit of Liability set forth in the Declarations. Such a Sub-limit of Liability shall be the maximum aggregate amount that the Insurer shall pay under this Insuring Agreement for all **Loss** from all **Claims** covered under this Insuring Agreement. Such Sub-limit of Liability shall be subject to, part of, and not in addition to, the Limit of Liability applicable to this **Liability Coverage Part**. This Insuring Agreement shall also be subject to the Settlement Program Coverage Retention and Prior or Pending Date in ITEM 5 of the Declarations.

II. DEFINITIONS

The following terms, whether used in the singular or plural, shall have the meanings specified below:

- “**Benefit Denial Appeal**” means the appeal of an adverse benefits determination by an **Insured** pursuant to the U. S. Department of Labor’s regulation 29 C.F.R. Section 2560.503-1(h) or any similar procedures required by applicable law or regulation.
- “**Claim**” means any **Fiduciary Claim**; or **Settlement Program Notice**.
- “**Damages**” means the amounts, other than **Defense Costs**, that the **Insureds** are legally liable to pay solely as a result of a **Claim** covered by this **Liability Coverage Part**, including:
 - (1) compensatory damages;
 - (2) settlement amounts;
 - (3) pre- and post-judgment interest;
 - (4) costs awarded pursuant to judgments;
 - (5) punitive and exemplary damages;
 - (6) the multiple portion of any multiplied damage award;
 - (7) claimant’s attorney fees awarded by a court pursuant to Section 502(g) of **ERISA**; and

- (8) reasonable fees and expenses of an independent fiduciary retained to review a proposed settlement of a covered **Fiduciary Claim** (including reasonable and necessary fees and expenses of a firm hired by such independent fiduciary to facilitate the review of such a covered **Claim**).

However, **Damages** shall not include:

- (a) taxes, fines or penalties imposed by law; provided, however, the foregoing shall not apply to:

(i) **Settlement Fees**, provided that Settlement Program Coverage is elected;

(ii) civil penalties of:

- up to 5% imposed upon the **Insureds** pursuant to **ERISA** Section 502(i) or up to 20% imposed pursuant to **ERISA** Section 502(l); or
- up to \$50,000 imposed upon the **Insureds**, for the failure to provide required **ERISA** plan documents, pursuant to **ERISA** Section 502(c);

Any such limit shall be a Sub-limit of Liability that shall be part of, and not in addition to, the Aggregate Limit of Liability for this **Liability Coverage Part** shown on the Declarations.

(iii) civil penalties imposed upon the **Insureds** under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Coverage for such civil penalties is conditioned upon such **Loss** being subject to the Sub-limit of Liability specified in ITEM 5 of the Declarations, said sub-limit of liability being part of, and not in addition to, the Aggregate Limit of Liability for this **Liability Coverage Part** shown on the Declarations;

(iv) civil penalties or fines imposed upon the **Insureds**:

- under the Patient Protection and Affordable Care Act, as amended, including any rules or regulations promulgated thereunder. However, this shall not include any amounts imposed on an **Insured** pursuant to section 4980H of the Internal Revenue Code of 1986, as amended; or
- including the up to fifteen percent (15%) tax penalty imposed upon an **Insured** under Sections 4975(a) or 4976(a) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, directly resulting from a final non-appealable judgment or other final non-appealable adjudication establishing, respectively, that (i) the **Insured** participated inadvertently in a prohibited transaction under 4975(c); or (ii) there has been provided inadvertently a Disqualified Benefit;
- under the English Pension Scheme Act of 1993, the English Pension Act of 1995, or the Pensions Act of 2004 and 2008 (all as amended from time to time) by the Pensions Regulator.; or
- imposed upon an **Insured** for violation of the Pension Protection Act of 2006 ("PPA")

Coverage for such civil penalties stated in subparagraph (iv) is conditioned upon such **Loss** being subject to a sub-limit of liability of \$250,000 and said sub-limit of liability being part of, and not in addition to, the Aggregate Limit of Liability for this **Liability Coverage Part** shown on the Declarations;

(b) non-monetary relief; and

(c) any other matters uninsurable pursuant to any applicable law; provided, however, that with respect to punitive and exemplary damages or the multiple portion of any multiplied damage award, the insurability of such damages shall be governed by the internal laws of any applicable jurisdiction that most favors coverage of such damages.

- **"Employee Stock Ownership Plan"** means any **Insured Plan** that invests more than 10% of its assets in securities of **Insured Entities**.
- **"Fiduciary Claim"** means any:

(1) written demand for monetary damages or other civil non-monetary relief commenced by the receipt of such demand;

- (2) civil proceeding, including an arbitration or other alternative dispute resolution proceeding, commenced by the service of a complaint, filing of a demand for arbitration, or similar pleading;
- (3) criminal proceeding commenced by the return of an indictment; or
- (4) formal administrative or regulatory proceeding commenced by the filing or service of a notice of charges, formal investigative order or similar document, including an investigation by the Department of Labor or Pension Benefit Guaranty Corporation, or any governmental authority equivalent that is located outside of the United States (including the Pensions Ombudsman appointed by the United Kingdom Secretary of State for Work and Pensions or by the United Kingdom Occupational Pensions Regulatory Authority or any successor thereto).
- (5) **Pre-Claim Inquiry** or **Benefit Denial Appeal** commenced by written notice;
- (6) investigation of an **Insured Person** for a **Wrongful Act** committed in his or her capacity as a fiduciary of an **Insured Plan**, commenced by such **Insured Person's** receipt of a written document identifying him or her as the target of an investigation, including a Wells Notice, target letter or search warrant, but only if received from any governmental authority other than the Department of Labor, Pension Benefit Guaranty Corporation or any governmental authority equivalent thereto that is located outside of the United States (including the Pensions Ombudsman appointed by the United Kingdom Secretary of State for Work and Pensions or by the United Kingdom Occupational Pensions Regulatory Authority or any successor thereto);
- (7) written request upon an **Insured Person** for witness testimony or document production commenced by the service of a subpoena or similar document which compels such testimony or the production of documents in connection with any matter described in sub-paragraphs (1) through (4) above; or
- (8) written request to the **Insureds** to toll or waive a statute of limitations regarding a potential **Fiduciary Claim** as described in sub-paragraphs (1) through (4) above commenced by the receipt of such request.

"Fiduciary Claim" also means a written request to the **Insureds** to toll or waive a statute of limitations regarding a potential **Fiduciary Claim** as described above. Such **Claim** shall be commenced by the receipt of such request.

- **"Insured Person"** means any:

- (1) **Manager**;
- (2) **Employee**; or
- (3) natural person who was, is or shall become trustee of an **Insured Plan**, or the member of any committee which oversees the administration or investments of an **Insured Plan**, while in such person's capacity as a trustee or committee member, which shall also include the functional equivalent of a trustee while serving in such a position outside of the U.S.

Insured Person also includes any former **Insured Person** who is serving or has served as an advisor or consultant to an **Insured Plan**, provided that the **Insured Entity** has agreed in writing prior to such service to grant indemnification to said advisor or consultant.

- **"Insured Plan"** means any past, present, or future:

- (1) employee welfare benefit plan or employee pension benefit plan, as defined in **ERISA**, or plans as defined by similar applicable foreign laws and regulations, sponsored solely by an **Insured Entity**, or jointly by an **Insured Entity** and a labor organization, for the benefit of **Insured Persons** only;
- (2) employee benefit plan, including an excess benefit plan, not subject to Title 1 of **ERISA**, sponsored solely by an **Insured Entity** for the benefit of **Insured Persons** only;
- (3) group or group type insurance program, including a Health Savings Account (HSA) program, those that meet the safe harbor conditions set forth in 29.C.F.R. 2510.3-1(j)(1), or any benefit plan that is not subject to Title 1

of ERISA, including any fringe benefit or excess benefit plan, that was, is now or becomes sponsored solely by the **Insured** exclusively for the benefit of an **Insured Person**;

- (4) government-mandated insurance program for unemployment, social security or disability benefits for **Employees** other than workers compensation; or
- (5) any other plan, fund, or program specifically included as an **Insured Plan** in a written endorsement issued by the Insurer to form a part of this Policy.

However, an **Insured Plan** shall not include any:

(a) **Employee Stock Ownership Plan**; or

(b) multi-employer plan.

- “**Insured(s)**” means any:

(1) **Insured Entity**;

(2) **Insured Person**; or

(3) **Insured Plan**.

- “**Managed Care Benefits**” means healthcare benefits provided through a plan which utilizes cost control mechanisms that include but are not limited to preferred provider or similar networks, utilization review and case or disease management services. However, **Managed Care Benefits** do not include healthcare plans which are administered or managed by an **Insured** or any medical services which are or should have been rendered by an **Insured**, or professional services related thereto.
- “**Notice Manager**” means the natural persons in the offices of the chief executive officer, chief financial officer, or any equivalent position to the foregoing, of an **Named Entity**.
- “**Pre-Claim Inquiry**” means a fact finding investigation which does not contain any allegation of a **Wrongful Act**, commenced by the Department of Labor or Pension Benefit Guaranty Corporation or any similar governmental authority located outside of the United States including the Pensions Ombudsman appointed by the United Kingdom Secretary of State for Work and Pensions or by the United Kingdom Occupational Pensions Regulatory Authority or any successor thereto.
- “**Settlement Fees**” mean any fees, penalties or sanctions imposed by law under a **Settlement Program** that any **Insureds** become legally obligated to pay as a result of a **Wrongful Act**. **Settlement Fees** shall not include costs of corrections, other than fees or penalties.
- “**Settlement Program**” means any voluntary compliance resolution program or similar voluntary settlement program administered by the U.S. Internal Revenue Service, the Department of Labor, the Pension Benefit Guarantee Corporation, or any other governmental body that is entered into by an **Insured Entity**.
- “**Settlement Program Notice**” means a prior written notice to the Insurer by any **Insured Entity** of its intent to enter into a **Settlement Program** that includes a detailed description of the **Wrongful Act** for which notice will be given under the **Settlement Program**.
- “**Wrongful Act**” means any actual or alleged:
 - (1) error, misstatement, misleading statement, act, omission, neglect or breach of duty constituting a violation of any responsibilities, obligations or duties imposed upon fiduciaries of an **Insured Plan** by **ERISA** or any similar law;
 - (2) breach of the responsibilities, obligations or duties imposed upon an **Insured** by HIPAA in connection with an **Insured Plan**;
 - (3) error, misstatement, misleading statement, act, omission, neglect or breach of duty in the selection or oversight of any provider of **Managed Care Benefits** or any similar organization;

- (4) error, misstatement, misleading statement, act, omission, neglect or breach of duty in counseling, providing interpretations, handling records, or effecting enrollment, termination or cancellation of **Employees**, participants, or beneficiaries under an **Insured Plan**; or in the administration of an **Insured Plan**;
- (5) act, error or omission by an **Insured** in their settlor capacity with respect to the creation, termination or amendment of an **Insured Plan**, including but not limited to any wellness program or plan which is subject to **ERISA**; or
- (6) matter claimed against an **Insured** due to such **Insured** acting in the capacity of a fiduciary of an **Insured Plan**.

III. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS

(A) The Insurer shall not pay **Loss**:

- (1) for bodily injury, sickness, disease, emotional distress, mental anguish, or death of any person, or damage to or destruction of any tangible property, including loss of use or diminution of value thereof; provided, however, that this exclusion shall not apply to any actual or alleged bodily injury, emotional distress, mental anguish or death of any person resulting from the **Insured's** choice of a provider of **Managed Care Benefits** or by any denial or delay of any benefit under any health care plan (other than a plan which is administered or managed by an **Insured**);
- (2) in connection with any **Claim** based upon, arising from, or in any way related to any prior or pending written demand, suit or proceeding against any **Insureds** as of the applicable Prior or Pending Date in ITEM 5 of the Declarations or the same or any substantially similar fact, circumstance or situation underlying or alleged in such demand, suit or proceeding;
- (3) in connection with any **Claim** based upon, arising from, or in any way related to any fact, circumstance or situation that, before the Inception Date in ITEM 3 of the Declarations, was the subject of any notice given under any other fiduciary or management liability insurance policy of which this **Liability Coverage Part** is a direct or indirect renewal or replacement, if such notice is accepted under such other policy;
- (4) in connection with any **Claim** based upon, arising from, or in any way related to any:
 - (a) discharge, dispersal, release, or escape of **Pollutants**, or any threat of such discharge, dispersal, release or escape; or
 - (b) direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**;

Provided that this exclusion shall not apply to the extent a **Claim** made against any **Insured** alleges a loss to an **Insured Plan** and/or to the accounts of such **Insured Plan's** participants by reason of an occurrence of that which is described in paragraphs 4(a) and (b) above;

- (5) in connection with any **Claim** based upon, arising from, or in any way related to the liability of others assumed under any contract or agreement, provided that this exclusion shall not apply to liability:
 - (a) that would have been incurred in the absence of such contract or agreement; or
 - (b) assumed under any agreement or declaration of trust under which any **Insured Plan** was established;
- (6) in connection with any **Claim** based upon, arising from, or in any way related to any:
 - (a) claims for unpaid wages (including overtime pay), workers' compensation benefits, unemployment compensation, disability benefits, or
 - (b) actual or alleged violation of the Equal Pay Act, Worker Adjustment and Retraining Notification Act, or any rule or regulation promulgated thereunder, or similar federal, state, local or common laws, rules or regulations;
 - (c) a **Wage and Hour Violation**.

- (7) of an **Insured**, based upon, arising from, or in any way related to the gaining of any personal profit, remuneration or financial advantage to which such **Insured** is not legally entitled if a judgment or other non-appealable final adjudication in the underlying action establishes that such a gain did occur; or
- (8) of an **Insured**, based upon, arising from, or in any way related to any criminal or deliberately fraudulent act or omission or any willful violation of law by such **Insured** if a judgment or other non-appealable final adjudication in the underlying action establishes such an act, omission or violation; provided, however, that this exclusion shall only apply to **Insured Entities** if a past or present chief executive officer, chief financial officer general counsel or any position equivalent to the foregoing of the **Named Entity** committed such an act, omission or willful violation.

Regarding exclusions (7) and (8) above: The **Wrongful Act** of an **Insured** shall not be imputed to any other **Insured**.

- (B) Other than that portion of **Loss** that represents **Defense Costs** incurred to defend the following allegations or demands, the Insurer shall not pay **Loss** for any **Claim**:
 - (1) for the actual or alleged failure to pay benefits pursuant to any **Insured Plan**, provided that this exclusion shall not apply to the extent that:
 - (a) recovery of such benefits is based upon a covered **Wrongful Act** and is payable as a personal obligation of an **Insured Person**; or
 - (b) a **Claim** made against any **Insured** alleges a loss to an **Insured Plan** and/or to the accounts of such **Insured Plan's** participants by reason of a change in value of the investments held by such **Insured Plan**, regardless of whether the amounts sought in such **Claim** are characterized by plaintiffs or held by a court to be benefits due or damages for breach of fiduciary duty;
 - (2) based upon, arising from, or in any way related to the actual or alleged failure to fund, or collect contributions owed to, an **Insured Plan**; or
 - (3) for return or reversion of any contributions or assets to an **Insured Entity** from an **Insured Plan**.

IV. WAIVER OF RECOURSE

The Insurer shall have no right of recourse against any **Insureds** for any payment of **Loss** made by the Insurer under this **Liability Coverage Part** because of a **Wrongful Act** by such **Insureds** if the premium for this Policy was paid for by other than an **Insured Plan**.

V. CHANGES IN EXPOSURE

- (A) This Section shall supplement, and not replace, Common Terms and Conditions Section XIV. Changes in Exposure.
- (B) The provisions of Common Terms and Conditions Section XIV. Changes in Exposure (A), Acquisitions or Created Subsidiaries, and (B), Mergers, shall also apply to any employee benefit plan of any newly merged, created or acquired entity and to any trustee of such plan to the extent that such plan and trustee would otherwise qualify as **Insureds** under this Policy. No coverage shall be available for any **Wrongful Act** of such **Insureds** occurring before the merger, creation or acquisition of the entity or for any **Interrelated Wrongful Acts** thereto.
- (C) The provisions of Common Terms and Conditions Section XIV. Changes in Exposure (D) Loss of Subsidiary Status shall also apply to any **Insured Plan** of a former **Subsidiary** and any trustee of such plan. No coverage shall be available for any **Wrongful Act** of such **Insureds** occurring after an entity ceases to be a **Subsidiary**.

VI. TERMINATED PLAN COVERAGE

Subject to the terms and conditions of this Policy and **Liability Coverage Part**, coverage shall be afforded for **Loss** resulting from any **Claim** against the **Insureds** for a **Wrongful Act** involving any **Insured Plan** terminated by an **Insured Entity**, including post-termination **Wrongful Acts**.

VII. RETENTION WAIVER

No Retention shall apply to **Defense Costs** incurred in connection with a **Claim**, and the Insurer shall reimburse the **Insureds** for any covered **Defense Costs** paid by the **Insureds** within the Retention otherwise applicable to such **Claim**, if a:

- (A) final adjudication with prejudice pursuant to a trial, motion to dismiss or motion for summary judgment; or
 - (B) complete and final settlement with prejudice,
- establishes that none of the **Insureds** in such **Claim** are liable for any **Loss**.

VIII. NOTICE OF CLAIM

(A) As a condition precedent to coverage under this **Liability Coverage Part**, the **Insureds** shall give the Insurer written notice of any **Claim** as soon as practicable after a **Notice Manager** becomes aware of such **Claim**, but in no event later than:

- (1) if this Policy expires (or is otherwise terminated) without being renewed with the Insurer, ninety (90) days after the effective date of said expiration or termination; or
- (2) the expiration of the Extended Reporting Period, if applicable

provided, that if this policy is cancelled for non payment of premium, the **Insured** will give to the Insurer written notice of such **Claim**, prior to the effective date of cancellation.

(B) If, during the **Policy Period**, the **Insureds** become aware of a **Wrongful Act** that may reasonably be expected to give rise to a **Claim**, and, if written notice of such **Wrongful Act** is given to the Insurer during the **Policy Period**, including the reasons for anticipating such a **Claim**, the nature and date of the **Wrongful Act**, the identity of the **Insureds** allegedly involved, the alleged injuries or damages sustained, the names of potential claimants, and the manner in which the **Insureds** first became aware of the **Wrongful Act**, then any **Claim** subsequently made which arises from such **Wrongful Act** shall be deemed to be a **Claim** first made during the **Policy Period**, and therefore subject to the terms and conditions of this Policy, including, without limitation, Section VII. of the Common Terms and Conditions and the reporting requirements set forth in Section VIII.(A) of this **Liability Coverage Part**, on the date that the Insurer receives the above notice.

This endorsement, effective 12:01 am, 01/01/2024
of policy number 42 KM 0330369-24

forms part

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDED PROFESSIONAL SERVICES EXCLUSION – ALL INSURING AGREEMENTS
(NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

The **NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART** is amended as follows:

- I. Section **IV. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS, (M) (2)** is deleted.
- II. Section **IV. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS** is amended by the addition of the following at the end thereof:
 - The **Insurer** shall not pay **Loss** in connection with any **Claim** based upon, arising from, or in any way related to any actual or alleged rendering of, or failure to render, any professional services for or on behalf of others, including, without limitation, services performed by or on behalf of the **Insureds** for or on behalf of a customer or client;

All other terms and conditions remain unchanged.



Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024
of policy number 42 KM 0330369-24

forms part

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DISCLOSURE/CAP ON LOSSES – TERRORISM RISK INSURANCE ACT

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT.

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act, as amended (TRIA), we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for "certified acts of terrorism" under TRIA. The portion of your premium attributable to terrorism coverage is shown in this policy.

B. The following definition is added with respect to the provisions of this endorsement:

1. A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of TRIA, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:
 - a. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
 - b. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an United States mission; and
 - c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

C. Disclosure of Federal Share of Terrorism Losses

The United States Department of the Treasury will reimburse insurers for 80% of insured losses attributable to "certified acts of terrorism" under TRIA that exceeds the applicable insurer deductible. However, if aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA, exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

D. Cap on Insurer Liability for Terrorism Losses

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 billion in a calendar year and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

E. Application of Other Exclusions

The terms and limitations of any terrorism exclusion, the inapplicability or omission of a terrorism exclusion, or the inclusion of terrorism coverage, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by any pollution, pathogenic, nuclear hazard or war exclusions.

F. All other terms and conditions remain the same.

This endorsement, effective 12:01 am, 01/01/2024

forms part

of policy number 42 KM 0330369-24

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADD SUBSIDIARY ENDORSEMENT

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

COMMON TERMS AND CONDITIONS, section II. **COMMON DEFINITIONS**, the definition of “**Subsidiary**” is amended by the addition of the following:

Subsidiary also means:

AFP AB, Calgary & Area Chapter AFP AB, Edmonton & Area Chapter AFP AB, Southern Chapter AFP AK, Alaska Chapter AFP AL, Alabama Chapter AFP AL, North Chapter AFP AR, Arkansas Chapter AFP AR, Northwest Chapter AFP AZ, Greater Arizona Chapter AFP AZ, Northern Chapter AFP AZ, Southern Chapter AFP BC, Greater Vancouver Chapter AFP BC, Interior Chapter AFP BC, Vancouver Island Chapter AFP Bermuda Chapter AFP CA, Capital Chapter AFP CA, Desert Communities Chapter AFP CA, Golden Gate Chapter AFP CA, Greater Los Angeles Chapter AFP CA, Greater San Fernando Valley Chapter AFP CA, Inland Empire Chapter AFP CA, Monterey Bay Chapter AFP CA, Orange County Chapter AFP CA, San Diego Chapter AFP CA, San Luis Obispo County Chapter AFP CA, Santa Barbara/Ventura Counties Chapter AFP CA, Silicon Valley Chapter AFP CA, Valley Chapter AFP CA, Yosemite Chapter AFP CO, Colorado Chapter AFP CO, Southern Chapter AFP CT, Connecticut Chapter AFP CT, Fairfield County Chapter AFP DC, Washington DC Metro Area Chapter AFP DE, Brandywine Chapter AFP Egypt & MENA Chapter AFP FL, Big Bend Chapter AFP FL, Central Chapter AFP FL, Collier-Lee Chapter AFP FL, First Coast Chapter AFP FL, Fort Lauderdale/Broward Chapter AFP FL, Indian River Chapter AFP FL, Miami Chapter AFP FL, Palm Beach County Chapter AFP FL, Polk County Chapter AFP FL, Southwest Chapter AFP FL, Space Coast Chapter AFP FL, Tampa Bay Chapter AFP FL, Treasure Coast Chapter AFP FL, Volusia/Flagler Chapter AFP FL, West Chapter AFP GA, Atlanta Chapter AFP GA, Coastal Chapter AFP GA, Greater Augusta Chapter AFP HI, Aloha Chapter AFP IA, Central Chapter AFP IA, Eastern Chapter AFP IA, Greater Tri-State Chapter AFP IA, Northeast Chapter AFP ID, Idaho Chapter AFP IL, Central Chapter AFP IL, Chicago Chapter AFP IL, East Central Chapter AFP IL, Quad Cities Chapter AFP IL, Rockford Area Chapter AFP IN, Indiana Chapter AFP IN, Indiana Northeast Chapter AFP IN, Michiana Chapter AFP IN, Northwest Chapter AFP KS, Greater Wichita Chapter AFP KS, Topeka Chapter on Philanthropy AFP KY, Bluegrass Chapter AFP KY, Greater Louisville Chapter AFP LA, Baton Rouge Chapter AFP LA, Greater New Orleans Chapter AFP LA, North Chapter AFP LA, Southwest AFP MA, Massachusetts Chapter AFP MA, Western Chapter AFP MB, Manitoba Chapter AFP MD, Maryland Chapter AFP MD, Western Maryland Chapter AFP MI, Capital Area Chapter AFP MI, Greater Detroit Chapter AFP MI, Mid-Michigan Chapter AFP MI, West Michigan Chapter AFP MN, Central & Southwestern Chapter AFP MN, Minnesota Chapter AFP MN, Southern Minnesota Chapter AFP MO, Greater Kansas City Chapter AFP MO, Ozark Region Chapter AFP MO, St. Louis Regional Chapter AFP MT, Montana Chapter AFP MX, Centro-Sur Chapter AFP MX, Noreste Chapter AFP MX, Noroeste Chapter AFP MX, Occidente-Pacifico Chapter AFP NB, New Brunswick Chapter AFP NC, Cape Fear Region AFP NC, Charlotte Chapter AFP NC, Triad Chapter AFP NC, Triangle Chapter AFP NC, Western Chapter AFP ND, Northern Plains Chapter AFP NE, Nebraska Chapter AFP NF, Newfoundland and Labrador Chapter AFP NH, Northern New England AFP NJ, New Jersey Chapter AFP NJ, Southern Chapter AFP NM, New Mexico Chapter AFP NS, Cape Breton Chapter AFP NS, Nova Scotia Chapter AFP NV, Las Vegas Chapter AFP NV, Sierra Chapter AFP NY, Central Chapter AFP NY, Finger Lakes Chapter AFP NY, Genesee Valley Chapter AFP NY, Greater Hudson Valley Chapter AFP NY, Hudson-Mohawk Chapter AFP NY, Long Island AFP NY, New York City Chapter AFP NY, Western Chapter AFP OH, Central Chapter AFP OH, Cincinnati Chapter AFP OH, Greater Cleveland Chapter AFP OH, Greater Dayton Region Chapter AFP OH, Greater Springfield Chapter AFP OH, Mahoning-Shenango Chapter AFP OH, Northeast Ohio Chapter AFP OH, Northwest Chapter AFP

OK, Eastern Oklahoma Chapter AFP OK, Oklahoma Chapter AFP ON, Canada South Chapter AFP ON, Central Ontario Chapter AFP ON, Golden Horseshoe Chapter AFP ON, Greater Toronto Chapter AFP ON, London & Region Chapter AFP ON, Ottawa Chapter AFP ON, South Eastern Ontario AFP OR, Oregon & SW Washington Chapter AFP PA, Berks Regional Chapter AFP PA, Central Chapter AFP PA, Eastern Chapter AFP PA, Greater Philadelphia Chapter AFP PA, Northeastern Chapter AFP PA, Northwestern Chapter AFP PA, Western Chapter AFP QC, Quebec Chapter AFP RI, Rhode Island Chapter AFP SC, Central Carolina Chapter AFP SC, Lowcountry Chapter AFP SC, Piedmont Chapter AFP SD, South Dakota Chapter AFP SK, Saskatoon Chapter AFP SK, South Saskatchewan Chapter AFP TN, Great Smoky Mountain Chapter AFP TN, Memphis Chapter AFP TN, Nashville Chapter AFP TN, Southeastern Chapter AFP TX, Central Chapter AFP TX, Coastal Bend Chapter AFP TX, East Chapter AFP TX, Fort Worth Metro Chapter AFP TX, Greater Austin Chapter AFP TX, Greater Dallas Chapter AFP TX, Greater Houston Chapter AFP TX, Lubbock Area Chapter AFP TX, Permian Basin Chapter AFP TX, San Antonio & South Texas Chapter AFP TX, Texas Plains Chapter AFP Utah Chapter AFP VA, Central Chapter AFP VA, Hampton Roads Chapter AFP VA, Piedmont Chapter AFP VA, Shenandoah Chapter AFP VA, Tri-State Chapter AFP VA, Virginia's Blue Ridge Chapter AFP WA, Advancement Northwest Chapter AFP WA, South Sound Chapter AFP WI, Greater Madison Chapter AFP WI, Northeast Chapter AFP WI, Southeastern Wisconsin Chapter AFP WI, Upper Mississippi Valley Chapter

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Local, State, and Foreign Chapters of the Association of Fundraising Professionals (as of 11/1/2023 provided email list)

All other terms and conditions remain unchanged.

A handwritten signature in black ink, appearing to read 'Ross Fisher', is positioned above the printed name.

Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024
of policy number 42 KM 0330369-24

forms part

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMEND CANCELLATION PROVISION/20 DAYS NOTICE UNEARNED PREMIUM PRO RATA
(COMMON TERMS AND CONDITIONS)**

This endorsement modifies insurance provided under:

PRIVATE CHOICE PREMIERSM POLICY

The **COMMON TERMS AND CONDITIONS**, section **XIII. CANCELLATION**, (A) and (C) are deleted and replaced with the following:

- (A) The Insurer may cancel this Policy for non-payment of premium by sending not less than 20 days notice to the **Named Entity**. This Policy may not otherwise be cancelled by the Insurer.
- (C) If the Insurer or **Named Entity** cancels this Policy, unearned premium shall be calculated on a pro rata basis. Payment of any unearned premium shall not be a condition precedent to the effectiveness of a cancellation. The Insurer shall make payment of any unearned premium as soon as practicable.

All other terms and conditions remain unchanged.



Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024

of policy number 42 KM 0330369-24

forms part

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMEND ENTITY VS INSURED EXCLUSION
BANKRUPTCY TRUSTEE CARVEBACK
(NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART, Section IV. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS, paragraph (G), is amended by the addition of the following:

- This exclusion shall not apply to the portion of **Loss** directly resulting from a civil proceeding by any bankruptcy trustee, examiner, receiver, liquidator, creditor(s) committee of the **Insured Entity** or rehabilitator (or any assignee thereof) after such bankruptcy trustee, examiner, receiver, liquidator or rehabilitator has been appointed;

All other terms and conditions remain unchanged.



Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024

of policy number 42 KM 0330369-24

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMEND NOTICE OF CLAIM – SECTION VI (B)(2)
(EMPLOYMENT PRACTICES LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

EMPLOYMENT PRACTICES LIABILITY COVERAGE PART, section VI, NOTICE OF CLAIM, (B)(2) is deleted and replaced with the following:

(2) three hundred and sixty five (365) days after the renewal date, if this Policy is renewed with the Insurer; or

All other terms and conditions remain unchanged.

A handwritten signature in black ink, appearing to read 'R. Fisher', is written over a light gray rectangular background.

Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024

of policy number 42 KM 0330369-24

forms part

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDED DEFINITION OF RETALIATION
(EMPLOYMENT PRACTICES LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

Section II. **DEFINITIONS**, “**RETALIATION**” is deleted and replaced with the following:

- “**Retaliation**” means adverse treatment of an **Employee** or **Independent Contractor** based upon any **Employee** or **Independent Contractor**:
 - (1) Exercising any rights under law, including, without limitation, rights under any workers compensation laws, the Family and Medical Leave Act, **ERISA**, or the Americans with Disabilities Act;
 - (2) Refusing to violate any law;
 - (3) Assisting, testifying, or cooperating with a proceeding or investigation regarding alleged violations of law by any **Insured**;
 - (4) Disclosing or threatening to disclose alleged violations of law to a supervisor or to any governmental agency; or
 - (5) Filing any “whistle blower” claim against any **Insured** under the federal False Claims Act, the Sarbanes-Oxley Act of 2002, or any similar law.

All other terms and conditions remain unchanged.



Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024
of policy number 42 KM 0330369-24

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issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDED DERIVATIVE COVERAGE
(NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

The **NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART** is amended as follows:

- I. Section **II. DEFINITIONS**, the definition of **Derivative Action**, is deleted and replaced by the following:
 - “**Derivative Action**” means any civil proceeding against a **Manager** for a **Wrongful Act** of such **Manager** made on behalf of, or in the name or the right of, an **Insured Entity** by any member of such **Insured Entity**, or by any State Attorney General, in their capacity as such, if such proceeding is made without the assistance, participation or solicitation of any **Manager**.
- II. Section **II. DEFINITIONS**, the definition of **Derivative Demand**, is deleted and replaced by the following:
 - “**Derivative Demand**” means any written demand by any member of an **Insured Entity** or by any State Attorney General, in their capacity as such, upon the board of directors or managers of such **Insured Entity** to bring a civil proceeding against a **Manager** for a **Wrongful Act** of such **Manager** if such demand is made without the assistance, participation or solicitation of any **Manager**. A **Derivative Demand** shall be deemed commenced by the receipt of such demand.
- III. Section **IV. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS**, paragraph **(G)**, is deleted and replaced by the following:

(G) in connection with any **Claim** brought or maintained by, on behalf of, or for the benefit of an **Insured Entity** provided this exclusion will not apply to a **Derivative Action**;

All other terms and conditions remain unchanged.



Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024

of policy number 42 KM 0330369-24

forms part

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDED RETENTION WAIVER
(EMPLOYMENT PRACTICES LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

The **EMPLOYMENT PRACTICES LIABILITY COVERAGE PART**, Section **VII. RETENTION WAIVER**, is deleted and replaced with the following:

The Retention not shall apply to **Defense Costs** incurred in connection with a covered **Claim**, and the Insurer shall reimburse the **Insureds** for 50% of any covered **Defense Costs** paid by the **Insureds** within the Retention otherwise applicable to such **Claim**, if a final adjudication with prejudice pursuant to a trial, motion to dismiss or motion for summary judgment establishes that none of the **Insureds** in such **Claim** are liable for any **Loss** other than **Defense Costs**.

All other terms and conditions remain unchanged.

A handwritten signature in black ink, appearing to read 'Ross Fisher', is positioned above the printed name.

Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024

of policy number 42 KM 0330369-24

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**AMENDED SECURITIES EXCLUSION
(NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

The **NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART**, Section **IV. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS**, paragraph **(J)** is deleted and replaced with the following:

(J) in connection with any **Claim** based upon, arising from, or in any way related to any public listing or offering of securities of an **Insured Entity** or the purchase or sale of such securities subsequent to such listing or offering.

All other terms and conditions remain unchanged.

A handwritten signature in black ink, appearing to read 'Ross Fisher', is positioned above the printed name.

Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024
of policy number 42 KM 0330369-24

forms part

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

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**CRISIS MANAGEMENT EXPENSE COVERAGE
(NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

The **NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART** is amended as follows:

I. Section **II. DEFINITIONS**, is amended by the addition of the following:

- **"Crisis Management Event"** means a:
 - **Fraudulent Fundraising Event**;
 - **Regulatory Event**; or
 - **Senior Management Event**.
- **"Crisis Management Expenses"** means any reasonable fees and expenses incurred by an **Insured**, with the Insurer's prior written consent, for public relations services to mitigate reputational damage resulting from any covered **Crisis Management Event**.
- **"Fraudulent Fund Raising Event"** means a non-**Insured** illegally soliciting donations in the name of **Insured Entity**.
- **"Regulatory Event"** means the public announcement of the commencement of an investigation of or litigation against the **Insured Entity** by a governmental or regulatory agency or body.
- **"Senior Management Event"** means the criminal indictment, death or incapacity of any **Insured Person** on whom the **Insured Entity** maintains key man life insurance.

II. Section **III. COVERAGE EXTENSIONS**, is amended by the addition of the following:

(C) CRISIS MANAGEMENT EXPENSE COVERAGE

The Insurer shall pay **Crisis Management Expenses** resulting from a **Crisis Management Event** occurring during the **Policy Period** and reported within sixty (60) days of occurrence. This extension is subject to an aggregate limit of \$250,000, which is a part of and not in addition to the Aggregate Limit of Liability set forth in the Declarations applicable to this **Liability Coverage Part**.

All other terms and conditions remain unchanged.



Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024
of policy number 42 KM 0330369-24

forms part

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DATA PRIVACY EVENT AND CRISIS MANAGEMENT EXPENSE
COVERAGE - \$100,000 SUBLIMIT
(NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

The **NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART** is amended as follows:

- I. Section **III. COVERAGE EXTENSIONS**, paragraph **(B) (3)**, is deleted and replaced with the following:
 - (3)** Coverage provided by this extension shall be subject to a Sub-limit of \$100,000. Such Sub-limit shall be the maximum aggregate amount that the Insurer shall pay under this **Liability Coverage Part** for all **Data Privacy Regulatory Expenses, Notification and Credit Monitoring Expenses, and Data Privacy Event Crisis Management Expenses** from all **Data Privacy Events**. Such Sub-limit shall be part of, and not in addition to, the Aggregate Limit of Liability applicable to this **Liability Coverage Part**.
- II. Section **II. DEFINITIONS**, is amended by the addition of the following:
 - **“Data Privacy Event Crisis Management Expenses”** means any reasonable fees and expenses incurred by an **Insured**, with the Insurer’s prior written consent, for public relations services to mitigate reputational damage resulting from any covered **Claim** under Coverage Extension **(B) (3)**,

All other terms and conditions remain unchanged.



Ross Fisher, President

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NON PROFIT PRIVATE CHOICE PREMIER ENDORSEMENT

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

For non profit Private Choice Premier insureds, the Private Choice Premier Policy is amended as follows:

- I. All references in this Policy, including without limitation any endorsements thereto, to the "Common Terms and Conditions" shall be replaced with "Non Profit Common Terms and Conditions".
- II. If the Non Profit Directors, Officers and Entity Liability Coverage Part is purchased, all references in this Policy, including without limitation any endorsements thereto, to the "Directors, Officers and Entity Liability Coverage Part" shall be replaced with "Non Profit Directors, Officers and Entity Liability Coverage Part".

All other terms and conditions remain unchanged.



Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024

of policy number 42 KM 0330369-24

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ORDER OF PAYMENTS
(FIDUCIARY LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

The following section is added to the **FIDUCIARY LIABILITY COVERAGE PART**:

- **ORDER OF PAYMENTS**

If **Loss** is incurred that is acknowledged by the Insurer to be covered under this **Liability Coverage Part**, the Insurer shall first pay **Loss** covered under Insuring Agreement (A) of an **Insured Person** acting in the capacity as a fiduciary prior to paying **Loss** to any other **Insured** or under any other Insuring Agreement.

All other terms and conditions remain unchanged.



Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024

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issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**RETIRED DIRECTORS COVERAGE ENDORSEMENT
(NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

The **NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART** is amended by the addition of the following:

If, by the choice of the **Insured Entity**, this policy is not renewed with the Insurer or not replaced by another management liability or directors and officers liability policy and if the Extended Reporting Period is not exercised by the **Insured Entity**, then any director or trustee who, during the **Policy Period**, retired or resigned their position with the **Insured Entity** shall be afforded an Extended Reporting Period of unlimited duration.

All other terms and conditions remain unchanged.



Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024

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by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SOCIAL MEDIA COVERAGE ENDORSEMENT
(NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

The **NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART**, section **II. DEFINITIONS**, the definition of **"Publishers and Advertisers Liability"**, is deleted and replaced by the following:

- **"Publishers and Advertisers Injury"** means any actual or alleged libel, slander, defamation, plagiarism, misappropriation of ideas, infringement of copyright or trademark and unauthorized use of title and shall include actions carried out by any means including but not limited to electronic publishing, the internet, social networking or instant messaging.

All other terms and conditions remain unchanged.



Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024

forms part

of policy number 42 KM 0330369-24

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by: TWIN CITY FIRE INSURANCE CO.

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**SPECIFIED PENALTIES COVERAGE
(NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

The **NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART**, section **II. DEFINITIONS**, the definition of "**Damages**", subsection **(10)**, is deleted and replaced with the following:

(10)where permissible by law, and notwithstanding sub-paragraph (a) below, civil penalties assessed under:

- i. IRS code section 6652(C)(1)(a) for a failure to file tax returns; provided, however, that coverage for such civil penalties referred to in this sub-paragraph is conditioned upon such penalty being the direct result of a self-reported violation;
- ii. Public Law 108-187 (the CAN-Spam Act of 2003);
- iii. the 1976 Lobby law or the Lobbying disclosure Act of 1995;

provided however that the coverage set forth in subsection (10) is subject to an aggregate sub limit of \$50,000 and said sub limit shall be a part of and not an addition to the Aggregate Limit of Liability for this coverage part.

All other terms and conditions remain unchanged.



Ross Fisher, President

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by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**STANDARD SETTING EXCLUSION ENDORSEMENT
(NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

**NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART, Section IV. EXCLUSIONS
APPLICABLE TO ALL INSURING AGREEMENTS** is amended by the addition of the following:

in connection with any **Claim** based upon, arising from or in any way related to any actual or alleged standard setting or enforcement, peer review, certification, accreditation or product testing or any similar activities

All other terms and conditions remain unchanged.

A handwritten signature in black ink, appearing to read 'R. Fisher', is written over a light gray rectangular background.

Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024

of policy number 42 KM 0330369-24

forms part

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TRADE AND PROFESSIONAL ASSOCIATION AMENDATORY ENDORSEMENT
(NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

The **NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART** is amended in the following manner:

- I. Section **II. DEFINITIONS**, the definition of **"Wrongful Act"**, is amended by the addition of the following:
 - the sponsorship or endorsement of a member benefit program or any actual or alleged violation of the Sherman Act, the Clayton Act or any similar federal or state statute, committed by an **Insured Person** in their capacity as such, or in their **Outside Capacity**, or, with regard to Insuring Agreement (C), an **Insured Entity**;
- II. Section **IV. EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS** is amended by the addition of the following:
 - in connection with any **Claim** based upon, arising from, or in any way related to the sale or administration by any **Insured** of any insurance product, policy, trust, or program.

All other terms and conditions remain unchanged.



Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024
of policy number 42 KM 0330369-24

forms part

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WORKPLACE VIOLENCE COVERAGE ENDORSEMENT
(EMPLOYMENT PRACTICES LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

EMPLOYMENT PRACTICES LIABILITY COVERAGE PART is amended as follows:

I. Section I. **INSURING AGREEMENTS** is amended by the addition of the following:

- **WORKPLACE VIOLENCE**

The **Insurer** will pay on behalf of the **Insured Entity** any **Workplace Violence Expenses** resulting from a **Workplace Violence Action** occurring during the Policy Period and reported to the Insurer pursuant to the terms of the policy.

The Insurer's maximum aggregate liability for all such **Workplace Violence Expenses** shall be the Sub-Limit of Liability shown in Item 5 of the Declarations. This Sub-Limit shall be part of, and not in addition to, the Aggregate Limit of Liability for this **Liability Coverage Part** shown on the Declarations. Payment of **Workplace Violence Expenses** by the Insurer shall reduce such Aggregate Limit of Liability. No Retention shall apply to the coverage provided under this Endorsement.

II. Solely for the purpose of the coverage provided by this endorsement, Section II. **DEFINITIONS** is amended by the addition of the following:

- **Business Interruption Expenses** means the amount calculated as set forth below for a period of time commencing the day the **Workplace Violence Action** occurs and ending on the earlier of ninety (90) days following such date or the date that the **Insured Entity** restores operations, with due diligence and dispatch, to the level that existed prior to the **Workplace Violence Action**:

(1) The sum of:

- a) net profits before income taxes that would have been earned had no **Workplace Violence Action** occurred;
- b) the actual costs of continuing the activities which are necessary for the **Insured Entity** to resume operations with substantially the same quality of service which existed immediately preceding the **Workplace Violence Action**; and
- c) reasonable expenses which would not have been incurred except for such **Workplace Violence Action** and which were incurred by the **Insured Entity** for the sole purpose of reducing **Business Interruption Expenses** described in 1(a) or 1(b), not to exceed the amount of actual reduction of such **Business Interruption Expenses**.

(2) Less the sum of:

- a) all recoveries, other insurance, suretyship and other indemnity which cover **Business Interruption Expenses**; and
- b) the amount by which the **Insured Entity** reasonably could have, but failed to, reduce **Business Interruption Expenses**.

- **Employee Expenses** means the reasonable fees and expenses for, or cost of:
 - (1) the salary or wages, for up to ninety (90) days following the date of the **Workplace Violence Action** occurs, that the **Insured Entity** pays **Individual Insureds** victimized by the **Workplace Violence Action** and unable to continue to work because of such **Workplace Violence Action**. The **Individual Insured's** salary or wages in effect at the time of the **Workplace Violence Action** shall apply;
 - (2) the salary or wages, for up to ninety (90) days following the date of the **Workplace Violence Action** occurs, that the **Insured Entity** pays a newly hired person(s) or temporary employee(s) to work because of such **Workplace Violence Action**; however such salary or wage shall not exceed the salary or wage of the relevant victimized **Individual Insured(s)** in effect at the time of the **Workplace Violence Action**;
 - (3) reasonable expenses for a counseling seminar for **Individual Insureds** conducted by an independent consultant within ninety (90) days following the **Workplace Violence Action**;
 - (4) reasonable expenses for the hiring of an independent security guard for up to thirty (30) days following the **Workplace Violence Action**; or
 - (5) reasonable expenses for the services of an independent security consultant for purposes of devising a security plan for the **Insured Entity**.
- **Individual Insured** means any:
 - (1) **Manager**;
 - (2) **Employee**; or
 - (3) Natural person visiting the **Premises** for a lawful purpose.
- **Physical Injury** means physical damage to a person's body caused by an external source.
- **Premises** means any building, facility, or property occupied by the **Insured Entity** in conducting its operations.
- **Public Relations Firm Expenses** means the reasonable and necessary fees charged by an organization specializing primarily in maintaining or restoring the public image of businesses or non-profit organizations, where such organization is retained to aid in the restoration of the **Insured Entity's** public image.
- **Workplace Violence Action** means any actual or alleged intentional and unlawful use of deadly force with an intent to cause harm that occurs at the **Premises** that results in **Physical Injury**.
- **Workplace Violence Expenses** means:
 - (1) **Business Interruption Expenses**;
 - (2) **Employee Expenses**; and
 - (3) **Public Relation Firm Expenses**.

III. Solely for the purpose of the coverage provided by this endorsement, Section III., **EXCLUSIONS APPLICABLE TO ALL INSURING AGREEMENTS** is amended by the addition of the following:

- The Insurer shall not pay any **Workplace Violence Expenses**:
 - (1) based upon, arising from, or in any way related to war, invasion, insurrection, riot, rebellion, revolution, civil war, or military action; or

- (2) based upon, arising from, or in any way related to the use or threat of force or violence occurring for the purpose of demanding money, securities, or property.
- The Insurer shall not pay any legal costs, attorneys fees, expenses, settlements, judgments, penalties or other amounts incurred as a result of any claim, suit or other legal proceeding brought against an **Insured** in connection with a **Workplace Violence Action**.

All other terms and conditions remain unchanged.

A handwritten signature in black ink, appearing to read "R. Fisher", is written over a faint rectangular background.

Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024
of policy number 42 KM 0330369-24

forms part

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**VIRGINIA AMENDATORY ENDORSEMENT
(NON PROFIT COMMON TERMS AND CONDITIONS)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

NON PROFIT COMMON TERMS AND CONDITIONS is amended as follows:

I. **ITEM 7: Extended Reporting Period** of the Declarations is deleted and replaced by the following:

ITEM 7: Extended Reporting Period:

Option 1 (without Reinstated limits)

Duration: two years Premium*: 150%

Reinstated limits are available for an additional premium.

Option 2 (without Reinstated limits)

Duration: One year(s) Premium*: 100%

Reinstated limits are available for an additional premium.

* Premium for the Extended Reporting Period elected shall be the indicated percentage of the sum of the annual premium specified for all **Liability Coverage Parts** plus the annualized amounts of any additional premiums charged during the Policy Period. The Extended Reporting Period is not available for the **Non-Liability Coverage Parts**.

II. The **NOTICE** on page one (1) of the **NON PROFIT COMMON TERMS AND CONDITIONS** is deleted and replaced with the following:

NOTICE: THE LIABILITY COVERAGE PARTS SCHEDULED IN ITEM 5 OF THE DECLARATIONS PROVIDE CLAIMS MADE COVERAGE. EXCEPT AS OTHERWISE SPECIFIED HEREIN: COVERAGE APPLIES ONLY TO A CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND WHICH HAS BEEN REPORTED TO THE INSURER IN ACCORDANCE WITH THE APPLICABLE NOTICE PROVISIONS. COVERAGE IS SUBJECT TO THE INSURED'S PAYMENT OF THE APPLICABLE RETENTION. PAYMENTS OF DEFENSE COSTS ARE SUBJECT TO, AND REDUCE, THE AVAILABLE LIMIT OF LIABILITY. DEFENSE COSTS ARE APPLIED AGAINST THE RETENTION. THERE ARE CERTAIN CIRCUMSTANCES IN WHICH YOU MUST BE PROVIDED WITH THE OPPORTUNITY TO PURCHASE AN EXTENDED REPORTING PERIOD FOR REPORTING CLAIMS. THESE ARE EXPLAINED IN THE POLICY. IF YOU HAVE ANY QUESTIONS REGARDING THE COST OF THE EXTENDED REPORTING PERIOD OR THE AVAILABLE OPTIONS UNDER THE EXTENDED REPORTING PERIOD, PLEASE CONTACT YOUR INSURANCE AGENT OR BROKER. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

III. **NON PROFIT COMMON TERMS AND CONDITIONS**, Section II. **COMMON DEFINITIONS**, is amended by the addition of the following:

Solely with respect to all **Liability Coverage Parts**,

- **Termination of Coverage**, whether undertaken by the Insurer or the **Named Entity** at any time, means:

- (1) cancellation or nonrenewal of the policy by the Insurer or the **Named Entity**;
- (2) advancement of any applicable retroactive date; or
- (3) renewal of the coverage on other than a claims made basis.

Termination of Coverage also means any exclusion or restriction of coverage that existed at the Policy's Inception Date if this Policy remains in force or is renewed. The exclusion or restriction of any existing coverage shall not include changes in Limits of Liability or Retention.

IV. **NON PROFIT COMMON TERMS AND CONDITIONS**, Section IX. **EXTENDED REPORTING PERIOD** is deleted and replaced by the following:

IX. EXTENDED REPORTING PERIOD

Solely with respect to all **Liability Coverage Parts**:

- (A) Upon **Termination of Coverage**, the Insurer will provide an automatic sixty (60) day extension of time to report **Claims** under a terminated **Liability Coverage Part**. The **Insureds** shall have the right to elect an additional extension of time (the "Extended Reporting Period") to report **Claims** under such **Liability Coverage Part**. Neither the automatic sixty (60) day extension of time nor the Extended Reporting Period shall be available if the **Liability Coverage Part** is terminated by the Insurer for fraud, non-payment of premium or failure to comply with the terms or conditions of this Policy.
- (B) To elect the Extended Reporting Period, the **Insureds** shall send a written notice of election of the Extended Reporting Period to the Insurer together with the premium therefor. The right to elect the Extended Reporting Period shall end unless the Insurer receives such notice and premium within sixty (60) days of **Termination of Coverage**. There shall be no right to elect the Extended Reporting Period after such time. If any Extended Reporting Period is exercised, an endorsement will be processed.
- (C) The premium for the Extended Reporting Period shall be that percentage specified in ITEM 7 of the Declarations of the sum of the original annual premium plus the annualized amount of any additional premium charged by the Insurer during the **Policy Period**. Such premium shall be deemed fully earned at the inception of the Extended Reporting Period and such Extended Reporting Period may not be cancelled except for nonpayment of premium or fraud.
- (D) The Extended Reporting Period shall be for the duration specified in ITEM 7 of the Declarations following the **Termination of Coverage**.
- (E) Coverage during the Extended Reporting Period shall apply to **Claims** made during the Extended Reporting Period for **Wrongful Acts** occurring prior to the earlier of the end of the **Policy Period** or the time of any transaction described in Section XIV. **CHANGES IN EXPOSURE**, (C) Takeover of Named Entity. No coverage shall apply for any **Wrongful Act** occurring after such time.
- (F) There is no separate or additional Limit of Liability for any Extended Reporting Period; however, for an additional premium, upon **Termination of Coverage**, the Insurer will offer the **Insured** an Extended Reporting Period with a reinstated Limit of Liability to one hundred percent (100%) of the expiring policy aggregate.
- (G) Regardless of the duration of the Extended Reporting Period, if the reinstated option is elected, the Limit of Liability shall only be reinstated one time in an amount equal to the Limit of Liability set forth in the Declarations. This reinstatement of the aggregate Limit of Liability is provided one time only.

- (H) The Retention shown on the Declarations will apply separately to each **Claim** reported under any Extended Reporting Period.
- (I) If the **Insureds** purchase an Extended Reporting Period option, the Extended Reporting Period is excess over any other valid and collectible insurance available to any **Insured** unless other insurance is written only as specific excess insurance over the limits of liability provided in the policy.
- (J) Where premium is due for coverage during a claims made relationship, any monies received by the Insurer from the **Insured** as payment for the Extended Reporting Period shall first be applied to such premium owing to the Policy.
- (K) If during the Extended Reporting Period the **Insureds** first become aware of a **Wrongful Act** that may reasonably be expected to give rise to a **Claim**, and if written notice of such **Wrongful Act** is given to the Insurer during the Extended Reporting Period, including the reasons for anticipating such a **Claim**, the nature and date of the **Wrongful Act**, the identity of the **Insureds** allegedly involved, the alleged injuries or damages sustained, the names of potential claimants, and the manner in which the **Insureds** first became aware of the **Wrongful Act**, then any **Claim** subsequently made which arises from such **Wrongful Act** shall be deemed to be a **Claim** first made during the Extended Reporting Period, and therefore subject to the terms and conditions of this Policy, including, without limitation, Section VII., of these Common Terms and Conditions and the reporting requirements set forth in the NOTICE OF CLAIM provisions of this Policy, on the date that the Insurer receives the above notice.

V. **NON PROFIT COMMON TERMS AND CONDITIONS**, Section **XVI. APPLICATION**, is deleted and replaced with the following:

XVI. APPLICATION

- (A) The **Insureds** represent that the declarations and statements contained in the **Application** are true, accurate and complete. This Policy is issued in reliance upon the **Application**.
- (B) If the **Application** contains intentional misrepresentations or misrepresentations that are shown to materially affect the acceptance of the risk by the Insurer:
 - (1) For the purpose of determining coverage under all Coverage Parts other than the Directors, Officers and Entity Liability Coverage Part, no coverage shall be afforded under this Policy for any **Insureds** who knew on the Inception Date of this Policy of the material facts that were so misrepresented, provided that:
 - (a) knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**; and
 - (b) knowledge possessed by any chief executive officer, chief financial officer, human resources director or any position equivalent to the foregoing of the **Named Entity**, or anyone signing the **Application**, shall be imputed to all **Insured Entities**. No other person's knowledge shall be imputed to an **Insured Entity**.
 - (2) For the purpose of determining coverage under the Directors, Officers and Entity Liability Coverage Part, no coverage shall be afforded under this Policy for:
 - (a) any **Insured Persons**, under Insuring Agreement (A), who knew as of the Inception Date of this Policy the material facts that were so misrepresented in the **Application**, provided, however, that knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**.
 - (b) an **Insured Entity**, under Insuring Agreement (B), to the extent it indemnifies any **Insured Person** referenced in subparagraph (2)(a), above, and
 - (c) an **Insured Entity**, under Insuring Agreements (C) and (D), if any chief executive officer, chief financial officer or any position equivalent to the foregoing of the **Named Entity**, or anyone signing the **Application**, knew as of the Inception Date of this Policy the material facts that were so misrepresented in the **Application**.

However, notwithstanding the foregoing, under no circumstances shall the Insurer be entitled to rescind this Policy.

IV. NON PROFIT COMMON TERMS AND CONDITIONS, Section **XIX. BANKRUPTCY OR INSOLVENCY** is deleted and replaced with the following:

XIX. BANKRUPTCY OR INSOLVENCY

Bankruptcy or insolvency of any **Insureds** or the estate of any **Insureds** shall not relieve the Insurer of any of its obligations under this Policy.

Any party who has obtained a judgment against the **Insured**, which is returned unsatisfied, may bring an action against the Insurer to recover damages insured by the Policy.

All other terms and conditions remain unchanged.

A handwritten signature in black ink, appearing to read "Ross Fisher", is written over a faint rectangular background.

Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024
of policy number 42 KM 0330369-24

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIRGINIA CANCELLATION AND NONRENEWAL ENDORSEMENT

Wherever used in this endorsement: 1) "Insurer" means the insurance company which issued this Policy; and 2) "Insured" means the Name of Insured, Name of Company, Name of Partnership, Parent Company, Name of Insured Plan or Trust, Name of Insured Entity, Named Entity, Named Real Estate Investment Trust(s), Name of Sponsor Company or Insured stated in ITEM A or ITEM 1 of the Declarations Page.

- I. The Cancellation provision of this Policy is deleted and replaced by the following:

NOTICE OF CANCELLATION

1. The **Insured** may cancel this Policy by mailing or delivering to the **Insurer** advance written Notice of Cancellation.
2. The **Insurer** may cancel this Policy only for nonpayment of premium by mailing or delivering to the **Insured** written Notice of Cancellation, including the actual reason for the cancellation, to the last mailing address known to the **Insurer**, at least fifteen (15) days before the effective date of cancellation.
3. Notice of Cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.
4. If this Policy is cancelled by the **Insured**, the **Insurer** shall retain the customary short rate proportion of the premium hereon, except as otherwise provided in this Policy. If the **Insurer** cancels this Policy, the **Insurer** shall retain the pro rata proportion of the premium hereon.

- II. The following provision are added:

NOTICE OF NONRENEWAL

The **Insurer** may elect not to renew this Policy by mailing or delivering to the **Insured**, at the last mailing address known to the **Insurer**, written notice of non-renewal forty-five (45) days prior to the anniversary or expiration date of coverage.

METHOD OF NOTIFICATION

1. Notice of Cancellation or non-renewal will be sent to the **Insured(s)** at the last mailing address known to the **Insurer** by;
 - (a) registered or certified mail, or
 - (b) the **Insurer** shall, at the time of mailing, obtain a written receipt from the United States Postal Service showing the name and address of the **Insured** stated in the Policy.
2. The **Insurer** shall retain a duplicate copy of the notice of cancellation or refusal to renew for at least one (1) year.
3. Within fifteen (15) days of receipt of the notice to cancel or non-renew, the **Insured** shall be entitled to request in writing that the Commissioner of Insurance review the action of the **Insurer**.

ENDORSEMENT NO: 23

4. At the time of mailing the **Insurer** shall endorse upon the duplicate copy of the notice, a certificate showing that the duplicate is a copy of the notice that was sent to the **Insured** (i) by registered or certified mail, or (ii) by regular mail for which the postal receipt was obtained.

All other terms and conditions remain unchanged.

A handwritten signature in black ink, appearing to read "R. Fisher", is written over a faint rectangular background.

Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024
of policy number 42 KM 0330369-24

forms part

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**VIRGINIA CHANGES
(EMPLOYMENT PRACTICES LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

EMPLOYMENT PRACTICES LIABILITY COVERAGE PART, Section II. **DEFINITIONS**, the definition of "**Damages**" is deleted and replaced with the following:

- "**Damages**" means the amounts, other than **Defense Costs**, that the **Insureds** are legally liable to pay solely as a result of a **Claim** covered by this **Liability Coverage Part**, including:
 - (1) compensatory damages, including front pay and back pay award;
 - (2) settlement amounts;
 - (3) pre- and post-judgment interest;
 - (4) costs awarded pursuant to judgments, including any **Training Costs** provided, however, that coverage for **Training Costs** is conditioned upon such **Loss** being subject to the Training Costs Sub-limit specified in ITEM 5 of the Declarations, said Training Costs Sub-Limit being part of, and not in addition to, the Aggregate Limit of Liability for this **Liability Coverage Part**;
 - (5) punitive and exemplary damages;
 - (6) the multiple portion of any multiplied damage award; or
 - (7) liquidated damages under the Age Discrimination in Employment Act, the Family and Medical Leave Act and the Equal Pay Act.

Post-judgment interest will not reduce the Limit of Liability and the retention will not apply to coverage for post-judgment interest.

However, **Damages** shall not include:

- (a) taxes, fines or penalties imposed by law;
- (b) non-monetary relief;
- (c) **Benefits**;
- (d) future compensation for any person hired, promoted, or reinstated pursuant to a judgment, settlement, order or other resolution of a **Claim**;

(e) Stock Benefits;

(f) costs associated with providing any accommodations required by the Americans with Disabilities Act or any similar law (other than **Training Costs**); or

(g) any other matters uninsurable pursuant to any applicable law; provided, however, that with respect to punitive and exemplary damages, or the multiple portion of any multiplied damage award, the insurability of such damages shall be governed by the laws of the Commonwealth of Virginia for risks located in Virginia.

All other terms and conditions remain unchanged.

A handwritten signature in black ink, appearing to read "R. Fisher", is written over a faint rectangular background.

Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024

forms part

of policy number 42 KM 0330369-24

issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIRGINIA CHANGES (FIDUCIARY LIABILITY COVERAGE PART)

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

FIDUCIARY LIABILITY COVERAGE PART, Section **II. DEFINITIONS**, the definition of “**Damages**” is deleted and replaced with the following:

- “**Damages**” means the amounts, other than **Defense Costs**, that the **Insureds** are legally liable to pay solely as a result of a **Claim** covered by this **Liability Coverage Part**, including:
 - (1) compensatory damages;
 - (2) settlement amounts;
 - (3) pre- and post-judgment interest;
 - (4) costs awarded pursuant to judgments;
 - (5) punitive and exemplary damages;
 - (6) the multiple portion of any multiplied damage award;
 - (7) claimant’s attorney fees awarded by a court pursuant to Section 502(g) of **ERISA**; and
 - (8) reasonable fees and expenses of an independent fiduciary retained to review a proposed settlement of a covered **Fiduciary Claim** (including reasonable and necessary fees and expenses of a firm hired by such independent fiduciary to facilitate the review of such a covered **Claim**).

Post-judgment interest will not reduce the Limit of Liability and the retention will not apply to coverage for post-judgment interest.

However, **Damages** shall not include:

- (a) taxes, fines or penalties imposed by law; provided, however, the foregoing shall not apply to:
 - (i) **Settlement Fees**, provided that Settlement Program Coverage is elected;
 - (ii) civil penalties of:
 - up to 5% imposed upon the **Insureds** pursuant to **ERISA** Section 502(i) or up to 20% imposed pursuant to **ERISA** Section 502(l); or
 - up to \$50,000 imposed upon the **Insureds**, for the failure to provide required **ERISA** plan documents, pursuant to **ERISA** Section 502(c);

(Any such limit shall be a Sub-limit of Liability that shall be part of, and not in addition to, the Aggregate Limit of Liability for this **Liability Coverage Part** shown on the Declarations.)

(iii) civil penalties imposed upon the **Insureds** under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Coverage for such civil penalties is conditioned upon such **Loss** being subject to the Sub-limit of Liability specified in ITEM 5 of the Declarations, said sub-limit of liability being part of, and not in addition to, the Aggregate Limit of Liability for this **Liability Coverage Part** shown on the Declarations;

(iv) civil penalties or fines imposed upon the Insureds:

- under the Patient Protection and Affordable Care Act, as amended, including any rules or regulations promulgated thereunder. However, this shall not include any amounts imposed on an **Insured** pursuant to section 4980H of the Internal Revenue Code of 1986, as amended; or
- including the up to fifteen percent (15%) tax penalty imposed upon an **Insured** under Sections 4975(a) or 4976(a) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, directly resulting from a final non-appealable judgment or other final non-appealable adjudication establishing, respectively, that (i) the **Insured** participated inadvertently in a prohibited transaction under 4975(c); or (ii) there has been provided inadvertently a Disqualified Benefit;
- under the English Pension Scheme Act of 1993, the English Pension Act of 1995, or the Pensions Act of 2004 and 2008 (all as amended from time to time) by the Pensions Regulator; or
- imposed upon an **Insured** for violation of the Pension Protection Act of 2006 ("PPA")

Coverage for such civil penalties stated in subparagraph (iv) is conditioned upon such **Loss** being subject to a sub-limit of liability of \$250,000 and said sub-limit of liability being part of, and not in addition to, the Aggregate Limit of Liability for this **Liability Coverage Part** shown on the Declarations;

(b) non-monetary relief;

(c) any other matters uninsurable pursuant to any applicable law; provided, however, that with respect to punitive and exemplary damages or the multiple portion of any multiplied damage award, the insurability of such damages shall be governed by the laws of the Commonwealth of Virginia for risks located in Virginia.

All other terms and conditions remain unchanged.



Ross Fisher, President

This endorsement, effective 12:01 am, 01/01/2024

of policy number 42 KM 0330369-24

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issued to: ASSOCIATION OF FUNDRAISING PROFESSIONALS

by: TWIN CITY FIRE INSURANCE CO.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**VIRGINIA CHANGES
(NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART)**

This endorsement modifies insurance provided under the following:

PRIVATE CHOICE PREMIERSM POLICY

NON PROFIT DIRECTORS, OFFICERS AND ENTITY LIABILITY COVERAGE PART, Section II. **DEFINITIONS**, the definition of “**Damages**” sub-paragraphs **(3)** and **(c)**, respectively, are deleted and replaced with the following:

(3) pre-judgment interest; (Note: Post-judgment interest, however, will not reduce the Limit of Liability and the retention will not apply to coverage for post-judgment interest.)

(c) any matters uninsurable pursuant to any applicable law; provided, however, that with respect to punitive and exemplary damages, or the multiple portion of any multiplied damage award, the insurability of such damages shall be governed by the laws of the Commonwealth of Virginia for risks located in Virginia; or

All other terms and conditions remain unchanged.



Ross Fisher, President



U.S. DEPARTMENT OF THE TREASURY, OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by the United States. **Please read this Notice carefully.**

The Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. OFAC acts under Presidential national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under U.S. jurisdiction. OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "Specially Designated Nationals and Blocked Persons" or "SDNs". Their assets are blocked and U.S. persons are generally prohibited from dealing with them. This list can be located on OFAC's web site at — <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is an SDN, as identified by OFAC, the policy is a blocked contract and all dealings with it must involve OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC.



Producer Compensation Notice

You can review and obtain information on The Hartford's producer compensation practices at www.thehartford.com or at 1-800-592-5717.