

ARCHITECTS AND ENGINEERS PROFESSIONAL LIABILITY INSURANCE POLICY

THIS IS A CLAIMS-MADE AND REPORTED POLICY. VARIOUS PROVISIONS IN THIS POLICY
RESTRICT COVERAGE.

THIS POLICY CONTAINS IMPORTANT EXCLUSIONS AND CONDITIONS TO YOUR COVERAGE. PLEASE REVIEW THE ENTIRE POLICY CAREFULLY AND DISCUSS ANY QUESTIONS YOU MAY HAVE WITH YOUR AGENT.

This policy does not become effective unless we issue a Declarations page to form a part hereof.

WHAT TO DO IN CASE OF A CLAIM OR A POTENTIAL CLAIM

In the event you directly or indirectly become involved in any situation which you believe may result in an Architects and Engineers Professional Liability **claim**, you should immediately report the details to your agent.

Note: Failure to make reports of **wrongful acts and claims**, may jeopardize your insurance.

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THIS IS A CLAIMS-MADE AND REPORTED POLICY. VARIOUS PROVISIONS IN THIS POLICY RESTRICT COVERAGE. READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.

THIS POLICY IS WRITTEN ON A "DEFENSE WITHIN LIMITS" BASIS. THE LIMITS OF INSURANCE AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS WILL BE REDUCED BY AMOUNTS INCURRED FOR "**CLAIM EXPENSES**" AS DEFINED IN THE POLICY.

THROUGHOUT THIS POLICY, THE WORDS "YOU" AND "YOUR" REFER TO THE **NAMED INSURED** SHOWN IN THE DECLARATIONS. THE WORDS "WE," "US" AND "OUR" REFER TO THE COMPANY PROVIDING THIS INSURANCE. THE WORD "INSURED" MEANS ANY PERSON OR ORGANIZATION QUALIFYING AS SUCH UNDER **SECTION III. "WHO IS AN INSURED."** ALL WORDS OR PHRASES (OTHER THAN CAPTIONS) PRINTED IN **BOLDFACE** ARE DEFINED IN THE POLICY.

ARCHITECTS AND ENGINEERS PROFESSIONAL LIABILITY INSURANCE POLICY

In consideration of payment of the premium and subject to the terms and conditions of this policy, we agree with you to provide insurance as stated in this policy.

SECTION I. INSURING AGREEMENTS

A. COVERAGE PROVISION

We will pay on behalf of the Insured **damages** that the Insured becomes legally obligated to pay because of claims made against the Insured for **wrongful acts** arising out of the performance of **professional services** for others.

B. CLAIMS-MADE PROVISION

This insurance applies to a wrongful act only if all of the following conditions are satisfied:

1. the **wrongful act** took place on or after the **Retroactive Date**;
2. prior to the inception date of this policy or the first such policy issued and continually renewed by us, no Insured had knowledge of such **wrongful act** and had no basis to reasonably anticipate a **claim** that would be made. For purposes of this provision, prior knowledge of a **wrongful act** includes, but is not limited to, any prior **claim** or possible **claim** or circumstance referenced in an Insured's **application**;
3. the **claim** arising out of the **wrongful act** is first made against any Insured during the **policy period**; and
4. the **claim** is reported in writing to us no later than 60 days after the end of the **policy period** or, if applicable, during an extended claims reporting period.

C. DEFENSE PROVISION

We have the right and the duty to defend the Insured against any covered **claim**, even if such **claim** is groundless, false or fraudulent. We will designate or, at our option, approve counsel to defend the **claim**.

Claim expenses will be paid by us, and such payments will reduce the available limit of liability. Our right and duty to defend or continue to defend any **claim** ends when the applicable limit of liability has been exhausted by payment of **damages** or **claim expenses** or both combined. Once the limit of liability is exhausted, we will tender control of the defense of any **claim** to the Insured. The Insured agrees to accept such tender as a condition of this policy.

We have no duty to defend any **claim** not covered by this policy.

D. SETTLEMENT PROVISION

We may investigate and solicit settlement offers for any **claim**. No offer to settle a **claim** will be accepted without your written consent.

If we recommend that you accept the judgment of the trial court, appellate court, any negotiated settlement or settlement offer, and you are not willing to accept such judgment or settlement, our liability for such **claim** shall not exceed the amount we would have paid for **damages** and **claim expenses** incurred up to the time we made the recommendation, providing such amount does not exceed the remainder of the applicable limit of liability. We shall thereafter be relieved of any additional liability under this policy, including the duty to defend.

If you are unwilling to appeal a judgment of a trial court, we have the right to appeal such judgment, and we will bear all **claim expenses** subsequently incurred which result directly from the appeal. An increase in the judgment amount in such instance shall be borne by us and shall not be applied against the policy "Limit of Liability—Aggregate."

E. TERRITORY

The insurance provided by this policy applies to **wrongful acts** which result in **damages** anywhere in the world, provided that with respect to any **claim** made against the Insured outside of the United States of America, its territories, possessions or Canada:

1. we shall have the right but not the duty to investigate, defend or settle any such **claim**;
2. if we elect not to investigate, defend or settle any such **claim** or suit, the Insured, under our supervision, shall arrange for such investigation and defense thereof as is reasonably necessary and, subject to our prior authorization, shall effect such settlement as we and the Insured deem expedient. Subject to the applicable limit of liability, we will reimburse the Insured for the reasonable cost of such investigation and defense and the amount of any settlement or judgment in excess of the deductible amount stated in the Declarations. Such reimbursement shall be made in United States currency at the rate of exchange prevailing on the date the judgment is rendered, the amount of the settlement is agreed upon or the date the expenditure is made;
3. all such **claims** shall be reimbursed pursuant to all applicable terms of this policy regardless of the law used in adjudicating the **claim**.

We are not an admitted or authorized insurer outside of United States of America, its territories or possessions, and we assume no responsibility for the furnishing of certificates or evidence of insurance or bonds in any country in which we are not admitted or authorized. We shall not be liable for any fine or penalty imposed upon the Insured for failing to insure with an admitted or authorized insurer nor for any other failure of the Insured to comply with an insurance law of a country, state, province, territory or possession in which we are not an admitted, authorized insurer.

F. SUPPLEMENTAL PAYMENTS

These supplemental payments will be paid in addition to the applicable limit of liability. The "Each Claim" Deductible amount stated in the Declarations is not applicable to the payments described below.

1. We will pay for loss of earnings for the Insured's attendance, at our written request, at a trial, hearing, arbitration or mediation proceeding involving a covered **claim** against such Insured. The maximum amount we will pay for any one or series of trials, hearings, mediation or arbitration proceedings arising out of the same **claim** shall not exceed \$500 per individual Insured for each day, or a prorate thereof for part of a day. The most we will pay for all Insureds' attendance at trials, hearings, arbitration or mediation proceedings for all **claims** reported during the **policy period** is \$10,000.

2. We will pay all interest on the entire amount of any judgment which accrues after the entry of the judgment and before we have paid or tendered or deposited in the Court that part of the judgment that does not exceed the policy limit.
3. We will pay **prejudgment interest** awarded against the Insured on that part of the judgment, award, verdict or settlement we pay. If we make a settlement offer to pay the available limit of liability, we will not pay the interest that accumulates after the date of the offer.
4. ADA, FHA and OSHA Legal Expense Reimbursement

We will reimburse you for legal fees and expenses up to \$25,000 per **policy period** in responding to each regulatory or administrative action brought directly against the Insured by a government agency under the Americans with Disabilities Act of 1990 (ADA), the Fair Housing Act (FHA) or the Occupational Safety and Health Act (OSHA) provided that the regulatory or administrative action:

- a. is first commenced during the **policy period**; and
- b. arises out of the performance of **professional services** rendered on or after the **retroactive date**.

After we have paid \$25,000 under this provision, any additional amounts we agree to pay will be treated as **claim expenses** and will be subject to the deductible for the **policy period** in which the action was first commenced.

We will not be responsible for the payment of any fines or penalties assessed.

5. In the event that the Insured receives a subpoena for documents or testimony related to the performance of **professional services**, the Insured will provide us a copy of the subpoena if legal advice in response to the subpoena is requested. If requested, we may retain legal counsel to advise the Insured regarding document production or to represent the Insured in giving sworn testimony. Expenses incurred in providing advice as to production of documents, review of testimony and representation on the date of deposition will be at our cost and not applicable to your deductible. A notice to us of such a subpoena shall be deemed to be notification of a potential **claim under SECTION VII. B.**
6. Pre-Claims Assistance

Until the date a **claim** is made against the Insured, we may investigate, at our sole discretion, a possible **claim** reported to us by the Insured in accordance with **SECTION VII. B.** We will pay for all expenses we incur as a result of our investigation. Expenses we incur will not reduce the Limit of Liability—Each Claim or Limit of Liability—Aggregate.

The Insured must not make any payment, admit any liability, investigate or settle any possible **claim** or assume any obligation without prior consent from us. We will not reimburse the Insured for any expenses or payments incurred without our prior approval.

SECTION II. EXCLUSIONS

This policy does not apply to:

- A. any **claim** arising out of any dishonest, fraudulent, criminal or malicious act, error or omission committed by or at the direction of any Insured. We shall provide the Insured with a defense of such **claim** unless or until the dishonest, fraudulent, criminal or malicious act, error or omission has been determined by any trial verdict, court ruling, regulatory ruling or legal admission, whether appealed or not. Criminal proceedings are not covered under this policy under any circumstance.

- B. any **claim** made by an Insured against any other Insured.
- C. any **claim** arising out of any actual or alleged:
 1. interviewing, hiring or refusal to hire,
 2. employment,
 3. termination of employment, or
 4. employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination of an applicant or a present or former employee of an Insured.
- D. any **claim** made against any Insured by an entity:
 1. which is operated, managed or controlled by any Insured;
 2. in which the Insured has a collective ownership interest in excess of 50%;
 3. in which any Insured is an officer or director; or
 4. which wholly or partly owns, operates or manages any Insured.
- E. any obligation under any employer's liability law, unemployment compensation law, workers' compensation law, disability benefits law or similar laws.
- F. any **claim** based upon or arising out of express warranties or guarantees; however, this exclusion does not apply to any guarantee that the Insured's **professional services** conform with the generally accepted standard of care applicable to that **professional service**.
- G. liability of others assumed by the Insured under any contract or agreement. This exclusion does not apply to liability for **damages** that the Insured would have in the absence of such contract or agreement.
- H. any **claim** arising out of the cost to repair or replace faulty workmanship performed by any Insured on any construction, erection, fabrication, installation, assembly, manufacture or remediation including any materials, parts or equipment furnished in connection therewith.
- I. any **claim** arising out of the sale or distribution of any goods or products which are sold or supplied by or on behalf of the Insured. This exclusion does not apply to software sold or supplied by the Insured to its client in connection with the Insured's provision of **professional services** for that client.
- J. any **claim** arising out of **bodily injury** to any Insured.
- K. any **claim** arising out of nuclear projects, nuclear reaction, radiation or radioactive contamination or any consequence thereof, regardless of cause.
- L. any claim made in any country not maintaining active diplomatic relations with the United States of America at the time the **claim** is first made in writing.

SECTION III. WHO IS AN INSURED

- A. The **Named Insured** is an Insured.
- B. Each of the following is also an Insured:
 1. any Additional Insured named in the Declarations;
 2. any past or present officer, director, partner, stockholder, member, manager, leased personnel under your direct supervision, or employee for **professional services** performed within the scope of his or her duties on behalf of you or any Additional Insured named in the Declarations;

3. the heirs, executors, administrators and legal representatives of an Insured as defined in paragraphs A., B. 1. and B. 2. above, in the event of an Insured's death, incapacity or bankruptcy, but only for liability arising out of **professional services** performed by or on behalf of you or an Additional Insured named in the Declarations prior to such Insured's death, incapacity or bankruptcy;
4. all joint ventures entered into, but only for liability arising out of **professional services** performed by you or an Additional Insured named in the Declarations as a participant in a joint venture project;
5. a retired officer, director, partner, stockholder, member, manager or employee for **professional services** performed as a consultant for you or any Additional Insured named in the Declarations; and
6. any entity newly formed or acquired by you during the **policy period** in which you own more than 50% of the issued and outstanding voting stock, either directly or indirectly. However,
 - a. we will only provide coverage for **claims** arising out of **professional services** performed on or after the date of formation or acquisition; and
 - b. this coverage will expire 90 days after the formation or acquisition or the end of the **policy period**, whichever is earlier.

SECTION IV. DEFINITIONS

- A. **"Application"** means:
1. any **application**, renewal **application**, or supplemental **application** published by us for your use in applying for this policy, in our possession with an Insured's legal, dated signature and any other written information furnished to us by you in applying for this policy;
 2. any other **application** or copy of an **application**, used by you to apply for this coverage, in our possession with an Insured's legal dated signature and any other written information furnished to us by you in applying for this policy; and
 3. if this policy is a renewal or replacement of any previous policy or policies issued by us, all **applications** provided to us by you for the purpose of applying for those policies.
- B. **"Bodily Injury"** means mental or emotional distress, **bodily injury**, sickness or disease, including death, sustained by a person.
- C. **"Claim"** means a demand received by the Insured for money, **damages** or **professional services** alleging a **wrongful act** arising out of the performance of **professional services**.
- D. **"Claim expenses"** means:
1. fees, costs and expenses charged by any attorney consented to or designated by us to defend the Insured against a **claim**;
 2. all other fees, costs and expenses resulting from the investigation, discovery, adjustment, defense, settlement or appeal of a **claim** as authorized by us;
 3. premiums for bonds required as a result of a covered **claim**, including bonds to release attachments, but only for bond amounts not exceeding the applicable limit of liability. However, we have no obligation to apply for or furnish any such bonds; and
 4. all costs taxed against the Insured in any suit defended by us.
- However, **claim expenses** do not include salaries of any of our employees.
- E. **"Damages"** means any amount which an Insured becomes obligated to pay for any covered **claim**, including judgments, awards or settlements entered into with our prior knowledge and consent. But **Damages** does not include:
1. sanctions, fines or penalties that are imposed or ordered by an administrative or governmental agency, local board and/or state licensing authority;

2. punitive damages, exemplary damages or treble damages unless coverage for such punitive damages is required under the applicable state law; or
 3. payment for **professional services**, including the return, withdrawal or reduction of monies paid to the Insured.
- F. “**Formal Mediation**” means the nonbinding process by which a qualified mediator, mutually selected by the parties involved in the **claim** with our agreement, meets and intercedes with the parties in order to reach a resolution. In order to be considered **formal mediation** under this policy, the process must be of a kind set forth under the mediation rules of the American Arbitration Association. At our sole option, we may recognize any mediation process presented for approval. Litigation and arbitration are not considered to be part of the **formal mediation** process.
- G. “**Named Insured**” means the entity or individual named in the Declarations.
- H. “**Policy period**” means the period of time specified in the Declarations.
- I. “**Prejudgment Interest**” means interest added to a verdict, award or judgment by the court, whether or not made part of the verdict, award or judgment.
- J. “**Professional services**” means those services that the Insured is legally qualified to perform for others in the Insured’s capacity as an architect, engineer, land surveyor, landscape architect, construction manager, scientist, technical consultant, interior designer, land planner, golf course designer or as otherwise defined by endorsement to the policy.
- K. “**Retroactive Date**” is the date, if any, specified as such in the Declarations and other dates, if any, that are specified as such for the Insured by endorsement to this policy.
- L. “**Total and Permanent Disability**” means that an Insured is wholly prevented from **performing professional services** for a continuous period of 90 days or more and such disability is expected to be ongoing and permanent. **Total and permanent disability** shall not include any condition which results from: intentionally self-inflicted injuries; attempted suicide; or the abuse or misuse of addictive chemical compounds or alcohol.
- M. “**Wrongful Act**” means any actual or alleged negligent act, error or omission.

SECTION V. LIMITS OF LIABILITY AND DEDUCTIBLE
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A. Limits of Liability

The applicable limit of liability shown in the Declarations is the maximum we will pay regardless of the number of:

- Insureds,
- individuals or entities that make a **claim**, or
- **claims** made.

1. Limit of Liability—Each Claim

The “Limit of Liability—Each Claim” shall apply in excess of the deductible shown in the Declarations. Our liability for each covered **claim** first made during the **policy period** or, if applicable, during an extended claims reporting period, shall not exceed the amount stated in the Declarations for “Limit of Liability—Each Claim.” This limit is the maximum amount of **damages** or **claim expenses** or both combined that we will pay for each covered **claim**.

Two or more covered **claims** arising out of a single **wrongful act**, or any series of related **wrongful acts**, will be considered a single **claim**. The single **claim** will be subject to the “Limit of Liability—Each Claim” in effect at the time such **claim** was first made against the Insured. Only one deductible will apply to such single **claim**. If the first of such **claims** is made prior to the effective date of this policy, no coverage shall apply to

any subsequent **claims** made during this **policy period** which are based upon the same or related **wrongful acts**.

2. Limit of Liability—Aggregate

Subject to the “Limit of Liability—Each **Claim**” provision above, our liability for all **claims** shall not exceed the amount stated in the Declarations as “Limit of Liability—Aggregate.” This limit is the maximum amount of **damages** or **claim expenses** or both combined that we will pay for all **claims** made or deemed made during the **policy period** and, if applicable, during an extended claims reporting period.

B. Deductible

The “Each Claim” Deductible stated in the Declarations applies to each **claim** and shall be paid by you to us within 30 days of written demand and will be billed as incurred by us. The deductible shall be first applied to all **claim expenses** and then any remainder will be applied to **damages**.

In the event that a **claim** covered by this policy is fully and finally resolved through the process of **formal mediation**, the “Each Claim” deductible will be reduced by 50 percent.

The total of your liability for all deductible payments during the **policy period** will not exceed the Deductible—“Aggregate” stated in the Declarations.

SECTION VI. EXTENDED CLAIMS REPORTING PERIODS
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A. Optional Extended Claims Reporting Period

If this policy is canceled or nonrenewed, you may purchase an Extended Claims Reporting Period Endorsement. This endorsement to the policy, when issued, extends the period of time during which the Insured may report **claims** to us.

The Extended Claims Reporting Period Endorsement applies to **claims**:

1. arising out of **wrongful acts** which first take place on or after the **retroactive date** and prior to the end of the **policy period**; and
2. which are first made against the Insured and reported to us in writing during this extended reporting period.

This extended claims reporting period does not otherwise change policy provisions.

The following conditions must be met before this option may be exercised:

1. this policy was canceled or nonrenewed for reasons other than failure to comply with policy provisions, failure to cooperate with us or material misrepresentation of facts in the **application**; and
2. if you are a sole proprietor, when you request to purchase this option your license or right to practice is not revoked, suspended or surrendered by, or at the request of any regulatory authority; and

3. we must receive written notice of your intent to purchase the option and the total additional premium due for the Extended Claims Reporting Endorsement no later than 60 days after the end of the **policy period**. The extended claims reporting period will not go into effect unless all premium and deductible amounts previously due and payable to us have been paid in full.

If any of the three conditions given above have not been met, you will not be able to purchase the Extended Claims Reporting Period Endorsement at a later date.

The term of this reporting period will be indicated in the Extended Claims Reporting Period Endorsement and will not be less than one year. The premium charged for this endorsement will be in accordance with the rules, rates and rating plans we have in effect at the inception of the current **policy period**.

The entire premium for the Extended Claims Reporting Period Endorsement will be fully earned when paid and in the event that you terminate this endorsement we will not return any portion of the premium.

If you are a sole proprietor at least 58 years old and, during this **policy period**, retire from the practice of providing **professional services** insured by this policy and you have been insured by an Architects and Engineers Professional Liability Policy issued by us for seven consecutive years immediately preceding your retirement, we will, subject to conditions 1, 2 and 3 above, issue an Extended Claims Reporting Period Endorsement without charge.

B. Death or Disability Extended Claims Reporting Period

If during the **policy period** any Insured dies from a cause other than suicide or **becomes totally and permanently disabled**, an extended claims reporting period is provided until the executor or administrator is discharged or until the disability ends. However, the Death or Disability Extended Claims Reporting Period will never be longer than seven years from the date of death or disability. No additional premium will be charged for this coverage, nor will any premium be refunded.

In the event of death, the Insured's estate must, no later than 60 days after the end of this **policy period**, provide us with written notice that the extended claims reporting period is desired. This notice must include written proof of the date of death.

In the event of **total and permanent disability**, the Insured or the Insured's legal guardian must, no later than 60 days after the end of this **policy period**, provide us with written notice that the extended claims reporting period is desired. This notice must include written proof of the **total and permanent disability**, including the date the disability began, certified by the attending physician. The Insured agrees to submit to medical examination(s) by any physician(s) designated by us, if requested.

This extended claims reporting period does not otherwise change policy provisions.

SECTION VII. CONDITIONS

A. Insured's Duties in the Event of a Claim

In the event of a **claim**, the Insured must do the following:

1. When a **claim** is made, the Insured must give prompt written notice to us, but in no event later than 60 days after the end of the **policy period** or, if applicable, during an extended claims reporting period. Such written notice shall include every demand, notice, summons, or any other applicable information received by the Insured or the Insured's representative.
2. The Insured must not make any payment, admit any liability, settle any claim or assume any obligation without prior consent from us.
3. If the Insured has the right to either accept or reject the arbitration of any claim, the Insured will exercise such right only with our written consent.

4. The Insured must cooperate with and provide all relevant information to us with respect to any **claim**. We may require that the Insured submit to examination or questioning, or attend hearings, depositions and trials. In the course of investigation or defense, we may require written statements or the Insured's attendance at meetings with us. The Insured must assist us in effecting settlement, securing and providing evidence and obtaining the attendance of witnesses, all without charge to us.
5. The Insured must do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment that may be available to the Insured.

B. Reporting Possible Claims

If during the **policy period** or any applicable extended **claims** reporting period, the Insured first becomes aware of a possible **claim** arising from a specific **wrongful act** in performing **professional services** for which coverage may be provided, such potential **claim** must be reported to us. The notice of the potential **claim** must be reported to us as soon as practicable during the **policy period** but no later than 60 days after the end of the **policy period** or, if applicable, during any extended claims reporting period. The notice of the potential **claim** must include the following:

1. the potential claimant's name and address;
2. a description of the **professional services** provided or that are alleged should have been provided;
3. an explanation as to why the Insured believes the **claim** may be made and the date that the Insured first became aware of such possible **claim**; and
4. an explanation of the type of claim that is anticipated.

Any **claim** that may subsequently be made against the Insured arising out of that **wrongful act** will be deemed for the purposes of this insurance to have been made on the date we first received such notice.

C. Innocent Insured Protection

If coverage under this policy would not apply because of **SECTION II. EXCLUSION A.**, we will cover any Insured who did not commit, participate in, acquiesce in or fail to take appropriate action after having personal knowledge of such dishonest, fraudulent, criminal or malicious act, error or omission.

D. Subrogation

If the Insured has rights to recover all or part of any payment for **damages** or **claim expenses** which we made under this policy, those rights are transferred to us to the extent that we have made payment on the Insured's behalf. The Insured must do whatever is necessary to secure such rights and do nothing to impair them. Any amount recovered shall first be applied to reduce our loss or, if applicable, as directed by law.

We hereby waive subrogation rights against a client to the extent that the Insured had, prior to **the wrongful act** or circumstance, a written agreement to waive such rights against the client.

E. Other Insurance

This insurance will be excess over any other insurance, including but not limited to project specific insurance, which also provides coverage for any **claim**, including any deductible provisions. However, any insurance specifically arranged by you to apply in excess of this insurance shall not be deemed "other insurance".

F. Premium

The first **Named Insured** shall pay us the premium stated in the Declarations.

G. Liberalization Clause

If during this **policy period** we implement revised non-optional terms for our Architects & Engineers Professional Liability Insurance policy form which broaden coverage for no additional premium, the revised terms will also apply to this policy. The new terms will be effective on the date that the appropriate regulatory authority grants approval of the revised terms. The revised terms will apply only to **claims** first made or potential **claims** that the Insured became aware of on or after the date regulatory approval is granted.

H. Policy Changes

The terms and conditions of this policy cannot be waived or amended except by specific written endorsement issued by us and made a part of this policy.

I. Assignment of the Insured's Interest

Your interests under this policy may not be assigned to any other person or organization without our written consent.

J. Cancellation

You may cancel this policy by returning the policy to us or by mailing written notice to us stating when thereafter such cancellation shall be effective. If you cancel, the refund will be 90% of the unearned premium.

We may cancel this policy by sending written notice to you, at the address last known to us. We will provide written notice at least 60 days before cancellation is to be effective. However, you will only be entitled to ten days' notice if we cancel because the premium has not been paid when due. If we cancel, earned premium will be computed on a pro rata basis. The mailing of any notice of cancellation will be sufficient proof of notice.

Upon cancellation of this policy, the end of this **policy period** will be changed to the effective date of cancellation. Unearned premium will be returned by us as soon as practicable, but return of unearned premium is not a condition of cancellation.

K. Bankruptcy

Bankruptcy or insolvency of any Insured or any Insured's estate shall not relieve us of our obligation under this policy.

L. Application

The statements in the **application** are representations of the Insured and are deemed material to the underwriting and acceptance of coverage by us. This policy is issued in reliance on the accuracy of such representations.

M. Action Against Us

No Insured or anyone else may bring any legal action against us concerning this policy until:

1. there has been full compliance with all the terms and conditions of this policy; and
2. the amount of **damages** has been determined by:
 - a. final judgment against the Insured after trial, if the time to appeal such judgment has expired without an appeal being taken, or if an appeal is taken, after the appeal has been determined; or
 - b. settlement of the **claim** in accordance with the terms and conditions of this policy.

N. Waiver of Terms

In the event we do not insist on strict compliance with any of the terms, provisions or conditions of coverage under this policy, or if we do not exercise our rights or privileges thereto, our actions shall neither operate nor be construed as a waiver of our right to enforce any term, provision or condition of coverage.