



700 North Pearl, Suite 300, Dallas, TX 75201
www.cna.com

March 10, 2023

Shelli Barrios
INSURICA INC
3510 24TH AVE NW STE 201
NORMAN, OK 73069-8376

Dear Shelli:

I am pleased to offer the attached quotation for:

Applicant: Mangum City Hospital Authority
Address: 1 Wickersham Drive
Maangum, OK 73554

Account Number: 1177895

Please note that CNA offers a broad array of industry leading products. To learn more about these products, please visit www.cna.com.

Thank you for the opportunity to provide this quotation.

Should you have any questions, please let me know.

Sincerely,

John Hall
Underwriting Consultant
CNA Specialty
Phone : (214) 220-1480| Email : john.hall3@cna.com



NEW QUOTATION FOR INSURANCE

Continental Casualty Company is pleased to offer you the following quote based on the information the applicant has submitted to date.

Named Insured:	Mangum City Hospital Authority 1 Wickersham Drive Maangum, OK 73554
Proposed Policy Period:	From 04/15/2023 to 04/15/2024
If Renewal, Expiring Policy No.:	
Quote Date:	March 10, 2023
Quote Expiration Date:	Sixty (60) days or expiration date of the current coverage, whichever comes first.
Product:	Epack 3 CNA-92840-XX
Insuring Company:	Continental Casualty Company
Commission Payable:	15.0%

This quotation is conditioned upon receipt, review and acceptance of the following information:

If coverage is bound, these conditions must be met prior to issuance of a policy unless otherwise specified and no later than thirty (30) days after the Proposed Policy Period Effective Date.

Conditions

General Conditions

- Properly completed CNA Application - application must be signed and dated by authorized individual

Coverage Specific Conditions

Management Liability

This Quotation expires within sixty (60) days or on the expiration date of the current coverage whichever comes first.

If between the date of the Quotation and the Effective Date of the current insurance contract, there is a material change in the condition of the Applicant or if any notice of claim or circumstance giving rise to a claim is reported prior to the effective date of the proposed insurance contract, then the Applicant must notify the Producer. The Producer as the representative of the above-referenced Applicant will then notify Continental Casualty Company and provide Continental Casualty Company with all the information it may require. Whether or not this Quotation has already been accepted by the Applicant, Continental Casualty Company reserves the right to withdraw this indication as of its effective date or to modify the final terms and conditions of the Quotation upon review of the information or after review of the information received in satisfaction of the aforementioned conditions/subjectivities.



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Applicant:

Mangum City Hospital Authority
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Maangum, OK 73554
CNA Customer Number 1177895

Producer:

INSURICA INC
3510 24TH AVE NW STE 201
NORMAN, OK 73069-8376

OPTION 1

Proposed Policy Period Limits of Liability and Retentions (inclusive of Defense Costs).

Combined Maximum Aggregate Limit of Liability for all liability coverage parts (including defense costs):

Yes ☐

No ☒

Coverage Part	Limit of Liability	Retention	Pending or Prior Date	Annual Premium	Policy Premium
Directors and Officers and Entity Liability Side A Additional Limit Demand Response Costs Sublimit Crisis Event Expenses Sublimit	\$1,000,000 \$1,000,000 \$250,000 \$25,000	\$25,000	4/15/2023	\$6,933	\$6,933
Employment Practices and Third Party Liability <div>Duty to Defend <input checked="" type="checkbox"/> Non Duty to Defend <input type="checkbox"/></div>	\$1,000,000	\$35,000	4/15/2023	\$4,129	\$4,129
TOTAL PREMIUM FOR COVERAGE PARTS*				\$11,062	\$11,062

*If coverages are purchased on a monoline basis, pricing may change as multi-line discounts may apply

The Policy Premiums shown above do not include Surcharges or Taxes, if applicable.

Surcharges/Taxes: NONE



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EXTENDED REPORTING PERIOD

Period
1 Year

Premium
100% of Policy Premium



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ENDORSEMENTS:

Endorsement Name	Number	Ed.Date	Coverage Part	Option
JOBS ACT EXCLUSION ENDORSEMENT	CNA-92966-XX	01/2019	D&O	1
AMENDATORY ENDORSEMENT - OKLAHOMA	CNA-93281-OK	03/2019	D&O	1
AMENDATORY ENDORSEMENT - OKLAHOMA	CNA-93281-OK	03/2019	EPL	1
BIOMETRICS PRIVACY EXCLUSION ENDORSEMENT	CNA-96392-XX	06/2020	EPL	1
OPIOID EXCLUSION ENDORSEMENT	CNA-93248-XX	10/2019	D&O	1
OPIOID EXCLUSION ENDORSEMENT	CNA-93248-XX	10/2019	EPL	1
SEPARATE RETENTION FOR CLAIMS BROUGHT BY HEALTH CARE PROVIDER ENDORSEMENT	CNA-92993-XX	10/2021	EPL	1
HEALTHCARE ENDORSEMENT (SUBLIMITED REGULATORY CLAIM COVERAGE)	CNA-92969-XX	09/2020	D&O	1
HEALTHCARE ENDORSEMENT (SUBLIMITED REGULATORY CLAIM COVERAGE)	CNA-92969-XX	09/2020	EPL	1
NOTICE OFFER OF TERRORISM COVERAGE DISCLOSURE OF PREMIUM CONFIRMATION OF ACCEPTANCE	CNA-81758-XX	01/2021	GTC	1
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT	CNA-92970-XX	01/2019	D&O	1
CONDITIONAL RENEWAL ENDORSMENT - OKLAHOMA	CNA-93315-OK	03/2019	GTC	1

About CNA

CNA is one of the largest U.S. commercial property and casualty insurance companies. CNA provides a broad range of standard and specialized property and casualty insurance products and services for businesses and professionals in the U.S., Canada and Europe, backed by more than 120 years of experience and more than \$45 billion of assets. For more information about CNA, visit our website at www.cna.com.

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Thank you for purchasing EPL coverage from CNA. As a CNA Epack 3 policyholder, you are entitled to a package of services, offered at no additional charge, to help you manage your business risks.

Beyond HRsm

Beyond HRsm is an interactive, web-based platform that helps CNA policyholders train their employees on a variety of employment topics and develop employment policies, practices and procedures.

The Equal Employment Opportunity Commission, courts, and certain state laws have made it clear that employers must take all necessary steps, including periodic training, to prevent certain wrongful employment practices. To assist you in diminishing this risk to your company, CNA's Beyond HRsm provides complimentary training in areas such as preventing harassment, wrongful termination and retaliation. For companies with employees in states where the law requires employers to provide sexual harassment prevention training, Beyond HRsm can assist your company in meeting these requirements by providing training in an interactive web-based format, with the capability to track employee participation through an easy to use, online mechanism. Comparable training and materials may cost hundreds or thousands of dollars if purchased separately.

Beyond HRsm also offers a variety of other features to assist your company in mitigating employment practices risks, such as:

- A searchable database of articles and checklists on important workplace topics.
- Refresher bulletins to support the online training modules.
- A model employment handbook and model policies and forms.
- Webinars and Best practices minutes podcasts on various workplace topics such as disability accommodation, bullying, social media and cyber crime.

Registration is quick and easy. From your web browser, navigate to www.cnabeyondhr.com, click on the "How to Register" link, and follow the instructions. Your CNA policy number will be required to register for the first time.

H. R. HELP LINE

Eligible CNA policyholders can receive human resources consulting advice through the H.R. Help Line, provided by Jackson Lewis, LLP, a national law firm that specializes in employment law. Simply have your human resources representative call the toll-free H. R. Help Line at 1-888-CNA-EPL1 (1-888-262-3751), identify your company as a CNA employment practices policyholder and provide your company's policy number. The H.R. Help Line is serviced by attorneys who do not act as legal counsel to callers, but rather as human resources consultants, providing information regarding risk control strategies. You can begin using the Help Line today by following the enclosed instructions.

We think you will find these services to be valuable to your business. For more details, please go to our website at <http://www.cna.com/html/riskmanagement.html> or contact your insurance representative.....and
Thank You for insuring with CNA.

These services are available at no additional charge to most CNA employment practices liability policyholders.

The McCalmon Group, Inc. and Jackson Lewis, LLP are neither affiliates of CNA, nor an agent or broker. As such, information reported to them is not notice to CNA of any claim or potential claim. Please contact CNA or your insurance agent or broker to report claims or potential claims. Risk Management is your responsibility. H.R. Web Training is not intended to substitute for your own risk management and compliance programs.

CNA Employment Practices Liability policies are underwritten by one of the CNA member property and casualty companies. One or more of the CNA companies provide the products and/or services described. CNA accepts no responsibility for the accuracy or completeness of this material and recommends the consultation with competent legal counsel and/or other professional advisors before applying this material in any particular factual situations. This material is for illustrative purposes and is not intended to substitute for the guidance of retained legal or other professional advisors, or to constitute a contract. Please remember that only the relevant insurance policy can provide the actual terms, coverages, amounts, conditions and exclusions for an insured. All products and services may not be available in all states and may be subject to change without notice. Any references to non-CNA Web sites are



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HOW TO ACCESS THE H.R. HELP LINE

CNA Epack 3 policyholders that purchase EPL receive the benefit of professional risk management consultation provided by Jackson Lewis, a national law firm that specializes in employment practices law.

CNA Epack 3 policyholders are entitled to human resources consulting advice for their Human Resources representative or senior managers, at no additional charge, through a toll-free number at 1-888- CNAEPL1 (1-888-262-3751). They can receive proactive, effective information and strategies to help manage employment practices risks.

Policyholders who have accessed the H. R. Help Line find it to be a useful resource to properly understand and manage sensitive Human Resources issues. The service is of particular value to small businesses that may not have a dedicated Human Resources department. The following five areas appear to generate the most questions and discussions:

- Medical leave issues especially in regard to an employee who is currently on leave and may have a change in job status;
- Proper handling of a reduction in force – a common situation in today's economy;
- Allegations of unfair treatment or harassment;
- Handling employee disciplinary situations; and
- Unique circumstances that "textbooks" do not address.

The Jackson Lewis attorneys are first and foremost active listeners. They can offer valuable guidance on proper procedures (file documentation, best practices, etc), consideration of potential options, and development of a game plan.

For more information on CNA's Risk Control products and services, please visit <http://www.cna.com/html/riskmanagement.html>. The H.R. Help Line is not for advice concerning specific legal matters. For these types of issues, we encourage you to speak to your own employment attorney.

Jackson Lewis is neither an affiliate of CNA, nor an agent or broker. As such, information reported to Jackson Lewis is not notice to CNA of any claim or potential claim. Please contact your insurance agent or broker to report claims or potential claims.

These services are available only to CNA policyholders that have employment practices liability coverage with CNA.

CNA accepts no responsibility for the accuracy or completeness of the services described herein or the information supplied by the HR Help Line or Jackson Lewis and recommends the consultation with competent legal counsel and/or other professional advisors before applying the information obtained in any particular factual situations. This material is for illustrative purposes and is not intended to substitute for the guidance of retained legal or other professional advisors, or to constitute a contract. Please remember that only the relevant insurance policy can provide the actual terms, coverages, amounts, conditions and exclusions for an insured. All products and services may not be available in all states and may be subject to change without notice. CNA does not endorse, recommend, or make any representations or warranties as to the accuracy, completeness, effectiveness, suitability, or performance of any of the products, applications, software, or programs identified herein.

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In consideration of the premium, and in reliance upon the application, we agree to provide you with the following coverage subject to the terms and conditions of this policy:

I. PREFACE

A Coverage Part is included within this policy and affords coverage only if the Coverage Part is purchased as indicated by a corresponding limit of liability in the respective Coverage Part Declarations.

The terms and conditions in each Coverage Part apply only to such Coverage Part and will not apply to any other Coverage Part.

If any provision in the General Terms and Conditions is inconsistent with the terms and conditions of any applicable Coverage Part, the terms and conditions of such Coverage Part will control.

Bolded terms in the policy will have the special meaning set forth in the definitions. The terms “we”, “us”, and “our” mean the Insurer named on the General Terms and Conditions Declarations; the terms “you”, “your”, and “yours” mean any insured.

II. SUPPLEMENTARY BENEFITS

A. Mediation Retention Reduction

If, prior to, or within sixty (60) days of the service of suit or the institution of arbitration proceedings, we and the named insured agree to use a non-binding alternative dispute resolution process to resolve any claim reported to us, and such claim is entirely resolved through such process, then we will reduce the Retention applicable to such claim by the lesser amount of fifty percent (50%) of such Retention or ten thousand (\$10,000) dollars.

B. Proceeding Expenses Reimbursement

If we request an insured person's presence at a trial, hearing, deposition, mediation, or arbitration, we will pay up to \$250.00 per day, per insured person for reimbursement of costs and expenses incurred in connection with such presence, subject to a maximum of \$2,500 per claim, per policy period. Such payment will be in addition to the applicable limit of liability and no Retention will apply.

C. Pre-Claim Expenses

In the event a noticed matter later gives rise to a covered claim, then we will credit the pre-claim expenses that you have paid up to ten percent (10%) of the applicable Retention for such claim.

III. DEFINITIONS

Any defined word not defined in the General Terms and Conditions will have the meaning assigned to it in the applicable Coverage Part.

Application means any signed application, including its warranty and attachments, whether ours or that of another insurance carrier, together with any other materials and representations provided to us in connection with the underwriting and negotiating of the terms and conditions of this policy or any other policy of which this policy is an indirect or direct renewal.

Bodily injury means any actual or alleged bodily injury, sickness, disease, death, emotional distress or mental anguish of any natural person.

Change of control means when: (i) the **named insured** merges into another entity and is no longer the surviving entity; (ii) another person(s) or entity(ies) acquires such an ownership interest in the **named insured** to exercise management control; or (iii) the **named insured** emerges from bankruptcy.

Cleanup costs mean any fees, costs, or expenses, including legal and professional fees, incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying, or assessing the effects of pollutants.

Extended reporting period means the additional period of reporting time purchased by an **insured** after termination, cancellation, or non-renewal of this policy within which to report a **claim** subject to the provisions of Section V Extended Reporting Period for Liability Coverage Parts Only.

Financial insolvency means: (i) the appointment by a federal, state or local agency or court of a receiver, conservator, liquidator, trustee, rehabilitator, or similar official, to take control of, supervise, manage, or liquidate an **insured entity** or **outside entity**; (ii) an **insured entity** becoming a debtor in possession under United States bankruptcy law or any equivalent foreign bankruptcy law; or (iii) when an **insured entity** can establish affirmatively it is unable at the present time, or in the future, to pay its debts in the ordinary course of business.

Independent contractor means any natural person working for an **insured entity** in the ordinary course of such **insured entity's** business, and in the capacity of an independent contractor, pursuant to a written agreement for services between such **insured entity** and either (i) such natural person; or (ii) any other entity acting on behalf of such natural person.

Insured entity means the **named insured** or any **subsidiary**, including any such entity as a debtor in possession under United States bankruptcy law.

Insured person will having the meaning designated in the respective Coverage Part.

With respect to any **liability coverage part**, **insured person** will also include: (i) assigns, estates, heir, legal representatives, or assigns of any **insured person** in their capacity as such, provided such **insured person** is deceased or legally incompetent; or (ii) a spouse or domestic partner of an **insured person** in their capacity as such, or due to legal ownership of property identified as potential recovery relief. There will be no coverage afforded under this policy for any act, error or omission of an estate, heir, legal representative, assign, spouse or domestic partner.

Liability coverage part means those Coverage Parts set forth in Item 5 of the General Terms and Conditions Declarations.

Management control means:

- (i) owning or controlling more than fifty-percent (50%) of the outstanding securities, shares or equity ownership representing the right to control an entity as evidenced by the present power to elect, designate or appoint the majority of the board of directors, management committee members or management board members; or
- (ii) having the present right, pursuant to written contract or an organizational document, to elect, designate or appoint the majority of the board of directors, management committee members or management board members of an entity.

Named insured means the entity set forth in Item 1 of the General Terms and Conditions Declarations.

Non-liability coverage part means those Coverage Parts set forth in Item 5 of the General Terms and Conditions Declarations.

Noticed matter means any written notice of circumstance which we have accepted under a **liability coverage part**.

Policy period means the time period from the inception date to the expiration date of this policy set forth in Item 2 of the General Terms and Conditions Declarations, or any such earlier termination or cancellation date. **Policy period** will also include the extended reporting period, if purchased.

Pollutants mean any actual or alleged: (i) solid, liquid, gaseous, thermal or radioactive irritant or contaminant, acids, alkalis, chemicals, fumes, smoke, soot, vapor, waste or waste materials to be recycled, reclaimed or reconditioned, or disposed; or (ii) air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products, or any noise.

Pollution means any actual, or threat of, discharge, emission, release, dispersal, escape of, or treatment, removal or disposal of any **pollutants**. **Pollution** also includes any regulation, order, direction, or request to test, monitor, clean up, remove contain, treat or detoxify or neutralize any **pollutants**.

Pre-claim expenses mean the reasonable and necessary fees, costs, and expenses incurred by an **insured** in responding to or defending a **noticed matter**, on or after the date we accepted the notice of circumstances and prior to the date the **noticed matter** became a **claim**. **Pre-claim expenses** will not include overhead expenses, demand response costs or any fees, costs, or expenses incurred by an **insured** as a result of any **routine examination** or **anti-bribery investigation**, examination, or request. We have the right to determine the reasonableness, necessity, and allocation of the **pre-claim expenses** (including the right to apply any applicable **claim exclusions** to the **pre-claim expenses**).

Property damage means any actual or alleged damage to, or destruction of, any tangible property including loss of use or diminution of value.

Related claims mean all **claims** that are based upon, arising from, or are logically or causally connected by the same, or any related or common, or a series of related or common, facts, circumstances, transactions, or wrongful acts.

Responsible person means the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, the General Counsel, the Risk Manager or such functionally equivalent positions of the **named insured**.

Routine examination means any routine examination, routine inspection, sweep examination, general requests for information, or any other similar reviews, inquiries, or investigations.

Subsidiary means any: (i) entity while under the **management control** of an **insured entity**; or (ii) charitable trust, political action committee or foundation while such entity is controlled by the **named insured**.

IV. LIMIT OF LIABILITY, SUBLIMITS AND RETENTIONS

If Item 6 of the General Terms and Conditions Declarations is elected then the amount indicated in item 6 will be the maximum aggregate amount we will pay for all **loss** regardless of the number of **claims**, parties or requests for coverage under all **liability coverage parts** combined.

If Item 6 of the General Terms and Conditions Declarations is not elected then the amount indicated in Item 2 of the respective **liability coverage part** Declarations will be the maximum aggregate amount we will pay for all **loss** regardless of the number of **claims**, parties or requests for coverage in such Coverage Part.

Defense costs are part of and not in addition to the limit of liability set forth in Item 6 of the General Terms and Conditions Declarations or Item 2 of the respective **liability coverage part** Declarations. Our payment of any **defense costs** will erode and may exhaust the limit of liability.

The respective Declarations for the **non-liability coverage parts** will reflect the maximum amount we will pay for such non-liability coverage.

Coverage Part Declarations will also identify the applicable Retention, if any. Any Retention will be uninsured and your responsibility to pay. If there are two Retentions that apply to the same `claim`, we will only apply the higher Retention.

Any `defense costs` or any sublimited coverage will be part of, and not in addition to, the aggregate limit of liability of that Coverage Part or the combined maximum aggregate limit of the policy.

All premiums, limits, Retentions, `loss` and other amounts under this policy are expressed and payable in United States of America currency unless the parties agree in writing otherwise.

V. EXTENDED REPORTING PERIOD FOR LIABILITY COVERAGE PARTS ONLY

If this policy is terminated, cancelled or non-renewed for any reason other than non-payment of premium or a `change of control`, you have the right to elect an `extended reporting period` for `liability coverage parts` for the additional period(s) and additional premium set forth in Item 4 of the General Terms and Conditions Declarations.

You must notify us in writing of this election within sixty (60) days after the non-renewal, cancellation, or termination. If you do not elect within this time frame, you will have waived your right to purchase the `extended reporting period`.

A purchased `extended reporting period` will extend to selected Coverage Parts coverage for a period of time but only to `claims` that are:

- (i) first made during the `extended reporting period`;
- (ii) reported to us according to this policy's notice and reporting requirements; and
- (iii) for `wrongful acts` that occurred prior to the date of such termination, cancellation or non-renewal.

The purchased `extended reporting period` becomes part of the `policy period`. Any premium for an `extended reporting period` will be deemed fully earned at the beginning of the `extended reporting period`. There will be no additional limit of liability for the `extended reporting period`.

VI. NOTICE AND REPORTING

A. Reporting a Claim in any `Liability Coverage Part`

As a condition precedent to our policy obligations, you must provide written notice of a `claim` as soon as practicable after a `responsible person` first becomes aware of such `claim`.

- (i) If the policy has been renewed with us, we will not assert that the notice of a `claim` is untimely unless we have been prejudiced by such late notice.
- (ii) If the policy has not been renewed with us, you must at the very latest, submit written notice of a `claim` no later than:
 - (a) ninety (90) days after the `policy period` terminates or expires, if there is no `extended reporting period`; or
 - (b) the expiration date of the purchased `extended reporting period`.

B. Reporting a Notice of Circumstances in any `Liability Coverage Part`

- (i) If during the `policy period` you first become aware of circumstances that may give rise to a `claim`, you may elect to submit a written notice of circumstance to us. Such written notice must contain a description of the circumstances, the nature of the `wrongful act`, persons involved and the nature of the relief sought.
- (ii) Any subsequent `claim` that is based upon or arises out of a `noticed matter` will be deemed to have first been made in the `policy period` in which we accepted the notice of circumstances.



- C. Non-liability coverage parts will have their own reporting provisions.
- D. Except with respect to any applicable pre-claim expenses described in Section II Supplementary Benefits paragraph C we will not provide coverage for fees, costs, or expenses incurred prior to the time a claim is noticed, even if such fees, costs, or expenses benefit the defense of a covered claim.

E. Notice Mailing

Written notices of a claim or circumstance should be directed to us at the mailing address or email address indicated in Item 3 of the General Terms and Conditions Declarations. A notice on one Coverage Part will be deemed notice to all Coverage Parts. All other notices should be sent to us at the address or email set forth in Item 3 of the General Terms and Conditions Declarations.

We will send all correspondence to you at the address set forth in Item 1 of the General Terms and Conditions Declarations.

We will consider the effective date of notice to be the date of mailing with sufficient proof of mailing.

VII. RELATED CLAIMS

All related claims will be treated as one claim first made on the date the first of such related claims was first made or deemed made according to the provisions of the applicable Coverage Part of this policy.

VIII. COOPERATION AND CONSENT

You agree:

- (i) to provide us full cooperation, assistance, and any information we may reasonably request when seeking coverage under this policy;
- (ii) to do nothing that may increase our liabilities or prejudice our potential or actual rights of recovery or subrogation;
- (iii) not to incur any loss, or any other costs or expenses for which you are seeking coverage under this policy, or admit any liability or assume any contractual obligation, without our prior written consent; and
- (iv) not to accept or consent to any settlement, or make any offer of settlement, or stipulate to any judgment, without our prior written consent; however, our consent will not be required if you can settle the claim, including all related claims and loss (including defense costs) for an aggregate amount that does not exceed the Retention.

We will:

- (a) have the right to make any reasonable investigation into any claim or noticed matter that we deem necessary or appropriate;
- (b) make any settlement of any claim that we deem reasonable, provided such settlement is made with your consent;
- (c) not withhold written consent unreasonably; and
- (d) not be liable for any loss, or any other costs or expenses for which you are seeking coverage under this policy, or admission of liability, or any contractual obligation unless we have provided prior written consent.

IX. APPLICATION

We have relied upon the truthfulness and accuracy of the statements, representations, and information in the application, which is incorporated into this policy.

If the **application's** statements, representations, and information contain any actual or knowing misrepresentations or omissions which materially affect our acceptance of the risk or the hazard assumed by us under this policy, then we will not cover **loss** in connection with any **claim**:

- (i) against an **insured person** based upon or arising out such misrepresentations or omissions if that **insured person** had actual knowledge of such misrepresentations or omissions;
- (ii) against an **insured entity** based upon or arising out such misrepresentations or omissions if the Chief Executive Officer, Chief Financial Officer or such functionally equivalent positions of the **named insured** had actual knowledge of such misrepresentations or omissions.

The **application** will be considered a separate request for coverage by each **insured person**. We will not rescind or void this policy with respect to any **insured**.

X. CHANGE OF CONTROL

With respect to any **liability coverage part**:

In the event of a **change of control**, the premium will become fully earned as of the effective date. We will not be liable for any **wrongful act** committed, attempted, or allegedly committed or attempted by any **insured** after the effective date of a **change of control**. We will however, continue to provide coverage until the policy is otherwise cancelled, terminated, or expires, but only for **wrongful acts** by any **insureds** prior to the date of a **change of control**. The extended reporting provision in Section V will not apply to a **change of control** event.

If you notify us in writing at least sixty (60) days prior to the **change of control**, we will provide you with proposed additional terms and conditions for run-off coverage subject to an additional premium and payment by you.

Non-liability coverage parts will have specific change of control provisions applicable to such Coverage Part.

XI. SUBSIDIARY

With respect to any **liability coverage part**:

A **subsidiary** and its **insureds** acquired or created before or during the **policy period** will be afforded coverage for a **claim** arising from **wrongful acts** which occur while that **subsidiary** is under the **management control** of an **insured entity**. There will be no acquisition threshold with respect to any **subsidiary**.

If an **insured entity** ceases **management control** of a **subsidiary** during the **policy period**, coverage will continue until the policy is otherwise terminated or cancelled, but coverage will apply to such **subsidiary** and its **insureds** only for **claims** for **wrongful acts** which occurred prior to such cessation.

XII. CANCELLATION OR TERMINATION

This policy may only be cancelled or terminated by one of the following events:

- (i) by us, for nonpayment of premium, in which event we will send you a written notice twenty (20) days prior to the effective date of such cancellation;
- (ii) by the **named insured** for any reason if we receive written notice twenty (20) days prior to the date the policy should be cancelled; or
- (iii) the expiration of the **policy period**.

Any returned premium will be computed on a pro rata basis.

XIII. SUBROGATION AND RECOUPMENT



If we pay any **loss** or other similar cost or expense under this policy, we reserve all rights to subrogation. We will not subrogate against you. You agree that we have the right to recoup any amount paid to you, or on your behalf, if such amount was not owed under this policy.

Any amounts recovered by subrogation or recoupment, less costs expended for the recovery, will be applied to the limit of liability of the applicable Coverage Part.

XIV. GENERAL POLICY PROVISIONS

The **named insured** agrees to act on behalf of all **insureds** with respect to:

- (i) providing or receiving any notice;
- (ii) the payment of any premiums;
- (iii) receiving any applicable return premiums; and
- (iv) agreeing to and acceptance of any endorsements.

This policy, including the **application**, constitutes the entire contract existing between you and us or any of our agents relating to this insurance.

The provisions of this policy cannot be waived or changed except by written endorsement issued to form a part of this policy. We will not be bound by any assignment of interest under this policy unless this assignment is specifically endorsed to the policy.

XV. REFERENCE TO LAW

Any reference to United States law will also include United States federal, state and local statutory law, and any rules, regulations and amendments of such law or any such equivalent foreign law.

XVI. FINANCIAL INSOLVENCY

Financial insolvency will not impact our obligations, rights or defenses under this policy. We will not object to your efforts to obtain relief or stay from any injunction issued as a result of **financial insolvency**.

XVII. ACTION AGAINST THE COMPANY

No action may be taken against us unless, as a condition precedent, there has been full compliance with all the terms and conditions of this policy. Further, no person or entity will have any right under this policy to join us as a party to any action against any **insured** to determine such **insured's** liability, nor can we be impleaded by the **insured** or legal representatives of such **insured**.

XVIII. STATE AMENDATORY INCONSISTENCY STATEMENT

In the event that there is an inconsistency between the terms and conditions of this policy and any state amendatory endorsement, where permitted by law, we will apply the terms and conditions that are most favorable for you.

XIX. TERRITORY

Coverage will apply worldwide. This policy does not provide coverage for any **insured**, transaction, that part of **loss**, or other similar cost or expense that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.



IN WITNESS WHEREOF, we have caused this policy to be executed by our Chairman and Secretary, but this policy shall not be binding upon us unless completed by the attachment of the Declarations.

Chairman

A handwritten signature in blue ink, appearing to be 'D. M. [unclear]', is written below the Chairman's title.

Secretary

A handwritten signature in blue ink, appearing to be 'B. T. [unclear]', is written below the Secretary's title.



DIRECTORS AND OFFICERS AND
ENTITY LIABILITY COVERAGE PART

In consideration of the premium and subject to the Declarations and the General Terms and Conditions, the parties agree as follows:

I. INSURING AGREEMENTS

- A. Side A
We will pay non-indemnifiable loss on behalf of an insured person arising from a claim against such insured person first made during the policy period.
- B. Side B
We will pay loss on behalf of an insured entity arising from a claim against an insured person first made during the policy period but only to the extent the insured entity has indemnified the insured person for such loss.
- C. Side C
We will pay loss on behalf of an insured entity arising from a claim against such insured entity first made during the policy period.

II. COVERAGE EXTENSIONS

The following coverage extensions, if subject to a sublimit, are part of, and not in addition to, the aggregate limit of liability set forth in Item 2 of this Coverage Part Declarations.

- A. Sublimited Demand Response Costs
We will pay demand response costs on behalf of an insured entity for all demands first received by the insured entity during the policy period. The total amount that we will pay for demand response costs will be the sublimit of liability set forth in Item 4A of this Coverage Part Declarations.
- B. Sublimited Crisis Event Expenses
We will pay crisis event expenses on behalf of an insured entity arising from any crisis event first occurring during the policy period. The total amount that we will pay for crisis event expenses will be the sublimit of liability set forth in Item 4B of this Coverage Part Declarations.
- C. Side A Additional Limit of Liability
Solely with respect to non-indemnifiable loss, we will pay an additional limit of liability for executives in the amount set forth in Item 3, Side A Additional Limit of Liability of this Coverage Part Declarations, which will be in addition to and not part of the aggregate limit of liability set forth in Item 2 of this Coverage Part Declarations. The Side A Additional Limit of Liability will be excess of any other insurance specifically written as excess of the aggregate limit of liability in Item 2 of this Coverage Part Declarations.
- D. Side A Extended Reporting Period Option
In the event that an insured entity does not purchase an extended reporting period prior to the expiration of the time frame indicated in Section V Extended Reporting Period for Liability Coverage Parts Only of the General Terms and Conditions, then the insured person(s) will have the right to purchase an extended reporting period. The insured person(s) must notify us of this election in writing within thirty (30) days after such expiration. Any extended reporting period purchased by any insured person(s) will apply only to claims made against such insured person(s) under the Side A Insuring Agreement. All other terms and conditions of Section V Extended Reporting Period for Liability Coverage Parts Only will apply to the extended reporting period for such insured person(s). There will not be a separate or additional limit of liability for such extended reporting period.



III. DEFINITIONS

Any defined word not defined in this Coverage Part will have the meaning assigned to it in the General Terms and Conditions.

Anti-bribery means any United States law which prohibits direct or indirect bribery or corruption.

Antitrust means any actual or alleged violation of any United States law which prohibits anti-trust, price fixing or price discrimination, restraint of trade or competition, monopolization, or predatory pricing.

Books and records demand means a written request by, or on behalf of, an **insured entity's** securityholder to inspect the **insured entity's** books, records, and stock ledgers pursuant to a statutory right of inspection.

Claim means any:

- (i) written demand (excluding a subpoena) for monetary, non-monetary, injunctive, or declaratory relief including a request for alternative dispute resolution, extradition, or request to toll or waive a statute of limitations;
- (i) civil or criminal proceeding commenced by the earlier of: (a) the return of service of a complaint or indictment upon an **insured**; (b) the filing of an indictment or information with respect to an **insured**; or (c) the arrest or detainment of an **insured**; or
- (ii) a formal administrative or regulatory proceeding evidenced by a formal notice of charges or a formal notice of investigation,

against such **insured** for a wrongful act, including any appeal therefrom. **Claim** will also include any inquiry.

Claim will not include a **books and records demand** or any securityholder derivative demand.

Unless specifically stated elsewhere in this Coverage Part, a **claim** will be deemed first made on the earliest of the date on which the **claim** is served upon, or first received by, any **insured**, or the applicable notice or order is filed or entered.

Conduct means the: (i) gaining of profit or other advantage to which the **insured** was not legally entitled; or (ii) commission of a deliberate crime, deliberate fraud, or a deliberate dishonest act or omission, or willful violation of any law or regulation, provided such conduct is established by a final non-appealable adjudication (excluding a declaratory action or proceeding by, or against us) in the underlying action.

Contractual liability means your actual or alleged liability voluntarily undertaken by you in any contract or agreement. **Contractual liability** does not include liability that would be imposed upon you in the absence of such contract or agreement.

Crisis event means the:

- (i) death, incapacity, or criminal indictment of the Chief Executive Officer, Chief Financial Officer or such functionally equivalent position of the **named insured**;
- (ii) public announcement that an **insured entity** intends to file for bankruptcy protection; or
- (iii) public announcement of an impending governmental, regulatory, or criminal proceeding against an **insured entity**.

Crisis event does not include any **anti-bribery** investigation, examination, or request, or any **routine examination**.

Crisis event expenses mean the reasonable and necessary fees, costs, and expenses that are incurred by an **insured entity** to minimize potential economic harm in response to a **crisis event**. Such **crisis event expenses** include fees, costs, and expenses to:

- (i) retain an outside law firm, public relations firm, or crisis management firm, to advise the **insured entity**;
- (ii) manage press coverage, publicity and press relationships, advertising and mailing of materials.

DIRECTORS AND OFFICERS AND
ENTITY LIABILITY COVERAGE PART

Crisis event expenses do not include overhead expenses, expenses incurred prior to any notice submitted to us, or expenses incurred after one hundred and eighty (180) days from the date the crisis event was noticed to us.

Defense costs mean the reasonable and necessary fees, costs, and expenses, incurred by an insured in the investigation, defense, or appeal of any covered claim, including the premium for appeal, attachment, or similar bonds arising out of a covered judgment. Defense costs do not include demand response costs or overhead expenses.

Demand means any books and records demand or any securityholder derivative demand.

Demand response costs mean the reasonable and necessary fees, costs, and expenses incurred by an insured entity in responding to: (i) a books and records demand; or (ii) in connection with the investigation of a securityholder derivative demand. Demand response costs do not include overhead expenses.

Discrimination/harassment means any actual or alleged discrimination against, or harassment of, a third party by an insured.

Employee means any natural person, who is a past, present, or future full-time, part-time, seasonal or temporary worker, or volunteer of an insured entity. Employee does not include any executive or independent contractor.

Employment related means any matter relating to the responsibilities, obligations or duties of an employer to any employee, or prospective employee, including wage and hour, as imposed by United States law or common law.

ERISA means any actual or alleged violation of the Employee Retirement Income Security Act of 1974, (including the Consolidated Omnibus Budget Reconciliation Act of 1985)(COBRA).

Executive means any:

- (i) past, present, or future duly elected or appointed director (including a shadow or de facto director), trustee (excluding a bankruptcy or litigation trustee), advisory board member, officer, governor, or managing member of a management committee of an insured entity;
- (ii) past, present, or future In-House General Counsel or Risk Manager, or such functionally equivalent position, of the named insured;
- (iii) holder of such functionally equivalent position to those included in paragraph (i) in an insured entity organized and operated outside of the United States of America, its territories or possessions; or
- (iv) holder of such functionally equivalent position to those included in paragraph (i) above in an outside entity while serving at an insured entity's specific request or direction.

Executive does not include any employee.

Extradition means the formal process by which an executive outside of the United States is surrendered, or requested to surrender, to another country to respond to a criminal accusation. An extradition is commenced by an arrest, detainment, or incarceration of the executive by any foreign jurisdiction law enforcement authority.

Inadequate consideration means an allegation that the price or consideration paid or proposed to be paid for the acquisition or completion of the acquisition of all or substantially all the ownership interest in or assets, shares or securities of an entity by an insured, or of an insured entity, is inadequate.

Inquiry means any:

- (i) investigation against an insured person for a wrongful act, evidenced by a search warrant, subpoena, or target letter, or similar investigatory document; or
- (ii) written request by an insured entity of an insured person for an interview, meeting, sworn testimony, or documents in connection with a securityholder derivative demand.

Inquiry will not include any anti-bribery investigation, examination, or request or any routine examination.

Insured means any insured person or any insured entity.



DIRECTORS AND OFFICERS AND
ENTITY LIABILITY COVERAGE PART

Insured person means any employee or executive.

Intellectual property means any actual or alleged misappropriation, violation or infringement of: ideas, confidential information, trade secrets, copyright, trademark, patent, or other intellectual property right.

Loss means the amount you are legally obligated to pay as a result of a claim including compensatory damages, settlements, judgments, pre-judgment and post-judgment interest, claimants' attorney fees and costs attributable to the covered portion of a settlement or imposed as a result of a covered judgment, and defense costs. Loss will include crisis event expenses, pre-claim expenses and demand response costs.

Loss will also include:

- (i) punitive, exemplary, or multiplied damages if such damages are insurable under the law in the jurisdiction which is most favorable to you, provided that such jurisdiction has a substantial relationship to us, you, or to the claim giving rise to such loss;
- (ii) civil fines or penalties assessed against an insured person for an unintentional and non-willful violation of law that are insurable under the law to which this policy is construed, including civil fines or penalties assessed pursuant to 15 U.S.C. §78dd-2(g)(2)(B) (the Foreign Corrupt Practices Act);
- (iii) solely with respect to coverage afforded by the Side A Insuring Agreement, any tax imposed upon an insured person in his/her capacity as such in connection with the financial insolvency of an insured entity.

Loss does not include:

- (a) costs to comply with any order or agreement to provide non-monetary or injunctive relief;
- (b) taxes, fines, or penalties (other than those referenced in (i), (ii) or (iii) above);
- (c) clean-up costs;
- (d) amounts not insurable under the law to which this policy is construed; or
- (e) any amount for which an insured is absolved from payment by reason of any covenant, agreement, or court order.

Non-indemnifiable loss means any loss incurred by an insured person that an insured entity fails or refuses to pay, advance, or indemnify:

- (i) due to financial insolvency; or
- (ii) because such indemnification is not permitted pursuant to law.

Outside entity means any entity exempt from federal income tax pursuant to Sections 501(c)(3),(4),(6),(7), and (10) of the United States Internal Revenue Code, as amended; provided such entity is not an insured entity.

Overhead expenses mean the salaries, wages, fees, overhead, or benefit expenses associated with any insured.

Pending or prior litigation means any action, proceeding, investigation, inquiry, or written demand commenced against you pending on or prior to the date set forth in Item 6 of this Coverage Part Declarations.

Personal injury means any actual or alleged:

- (i) wrongful entry or eviction, or other invasion of the right of private occupancy;
- (ii) libel, slander, or defamation of any person;
- (iii) violation of any person's right of privacy;
- (iv) false arrest or false imprisonment;
- (v) malicious prosecution, malicious use or abuse of process; or
- (vi) violation of any United States law which regulates or governs commercial solicitation, messaging, automatic contract renewals, or anti-spam (including commercial emails and spam, telemarketing, texts, and electronic commerce).

DIRECTORS AND OFFICERS AND
ENTITY LIABILITY COVERAGE PART

Prior notice means any matter, fact, circumstance, situation, transaction, event, or **wrongful act** that has been the subject of any notice accepted under any directors and officers liability policy or comparable policy, coverage section or coverage part of which this Coverage Part is a direct or indirect renewal or replacement.

Product defect means, with respect to any goods or products manufactured, produced, processed, packaged, sold, marketed, distributed, or developed by, or on behalf of, any **insured entity**, any actual or alleged:

- (i) failure, malfunction, or performance failure of such goods or products; or
- (ii) false labeling, false advertising, or misrepresentation in advertising of such goods or products.

Professional services mean the performance of, or failure to perform, services for others for a fee or other remuneration.

Publicly traded securities mean any registered debt or equity securities of an **insured entity** or an **outside entity** that are offered for purchase or sale to the public. **Publicly traded securities** will not include any: (i) unregistered securities; (ii) securities related to a failed undertaking of, or failure to complete, an initial public offering; or (iii) preparation for a public offering, including any road show presentation to potential investors.

Securityholder claim means any **claim** by any owner(s) of an **insured entity's** equity or debt securities brought in such capacity. **Securityholder claim** includes a **securityholder derivative suit**.

Securityholder derivative demand means any written demand by one or more securityholders of an **insured entity** upon the board of directors (or such functionally equivalent management body) of such **insured entity** to commence an investigation or to bring a **securityholder derivative suit**.

Securityholder derivative suit means a lawsuit brought derivatively on behalf of an **insured entity** by one or more securityholders of such **insured entity** against: (i) one or more **executives** of such **insured entity**; or (ii) the **insured entity** as a nominal defendant.

Unfair trade practices mean any actual or alleged violation of United States law or common law which prohibits unfair or deceptive trade or business practices.

Wage and hour means any actual or alleged violation of any United States law or common law which regulates or governs employment wage, pay, or labor requirements or standards, including but not limited to:

- (i) the calculation, recordkeeping, timing or manner of payment of minimum wages, prevailing pay rates, overtime pay, or other compensation alleged to be due and owing, including the failure to compensate for any unpaid vacation pay, off the clock or remote work, or for employer sponsored activities;
- (ii) failure to provide or enforce legally required meal or rest break periods;
- (iii) the classification of any entity or person for wage and hour purposes;
- (iv) garnishments, withholdings, or other deductions from wages;
- (v) use of federal or state tip credits or maintenance and distribution of tip pools; or
- (vi) reimbursement of work-related expenses or tools to any person providing services or labor to or on behalf of an **insured entity**,

or any such similar practices, policies, or procedures.

Whistleblower Activity means the lawful activity of an **insured person**, with respect to any alleged wrongdoing by an **insured**, who causes information to be provided to the attention of, or otherwise assists in an investigation by, a governmental or law enforcement agency, provided such activities are protected by statute with rights and remedies for retaliation recognized under United States law.

Wrongful act means any:

- (i) error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted or allegedly committed, or attempted, by:
 - (a) an **insured person** in his/her capacity as such; or
 - (b) an **insured entity**; or
- (ii) matter claimed against an **insured person** solely by reason of his/her status as such.

IV. COVERAGE PART EXCLUSIONS

We will not cover loss in connection with any claim:

- A. based upon or arising from:
- (i) conduct;
 - (ii) prior notice;
 - (iii) pending or prior litigation;
 - (iv) discrimination/harassment;
 - (v) publicly traded securities;
 - (vi) employment related; provided this exclusion (vi) will not apply to any claim (other than a wage and hour claim) against an insured person; or
 - (vii) pollution; provided this exclusion (vii) will not apply to any:
 - (a) claim for non-indemnifiable loss; or
 - (b) securityholder claim.
- B. against an insured entity that is based upon or arising from:
- (i) antitrust;
 - (ii) contractual liability;
 - (iii) unfair trade practices;
 - (iv) intellectual property;
 - (v) personal injury;
 - (vi) product defect; or
 - (vii) professional services,
- provided these exclusions B will not apply to any securityholder claim.
- C. for:
- (i) property damage;
 - (ii) ERISA;
 - (iii) inadequate consideration; provided this exclusion (iii) will not apply to defense costs; or
 - (iv) bodily injury; provided this exclusion (iv) will not apply to any:
 - (a) any claim for non-indemnifiable loss;
 - (b) any securityholder claim;
 - (c) any actual or alleged emotional distress, mental anguish or humiliation made in connection with any employment related claim against an insured person; or
 - (d) defense costs incurred by an executive in the defense of a claim for any actual or alleged violation of a corporate manslaughter statute by such executive.
- D. brought by, or on behalf of, any insured in any capacity against any insured, or an outside entity against any insured, unless such claim is:
- (i) a securityholder derivative suit or a derivative action brought on behalf of an outside entity against an insured person in his/her capacity for such outside entity;
 - (ii) brought while the insured entity or outside entity is in financial insolvency;
 - (iii) brought by an executive who has not been in his/her insured capacity for at least one (1) year;
 - (iv) for contribution or indemnity arising from a claim otherwise covered under this policy;
 - (v) brought against an insured person by another insured person actively engaged in whistleblower activity;
 - (vi) an employment related claim against an insured person; or
 - (vii) brought in a common law jurisdiction other than the United States or Canada, their territories or possessions.



DIRECTORS AND OFFICERS AND
ENTITY LIABILITY COVERAGE PART

V. SPECIFIC LIMIT OF LIABILITY, SUBLIMITS AND RETENTIONS

The most we will pay for all loss arising from all claims, demands, and crisis events is the aggregate limit of liability set forth in Item 2 of this Coverage Part Declarations.

A single Retention will apply to each claim. There will be no Retention applicable to demand response costs, crisis events, or coverage afforded under the Side A Insuring Agreement.

Item 4 of this Coverage Part Declarations sets forth the maximum amount we will pay for sublimits of liability for demand response costs and crisis event expenses.

VI. REQUEST FOR OPTIONAL SPECIFIC COVERAGES

If you choose to request coverage for demand response costs or crisis event expenses you must submit a written notice to the address located in Item 3 of the General Terms and Conditions Declarations.

With respect to the demand response costs, the notice must include the date the demand was first received, the parties involved, the nature of the demand and the relief sought.

With respect to crisis event expenses, the notice must be sent within sixty (60) days of the crisis event and include the date the crisis event first occurred, the nature of the crisis event and the expenses requested or anticipated.

Should there be a subsequent claim that is based upon or arises out of this noticed demand or crisis event we will consider that claim to have first been made during the policy period in which we received your first written notice.

VII. INDEMNIFICATION

It is agreed that an insured entity will indemnify its insured person to the fullest extent permitted by law.

VIII. DEFENSE COSTS AND ADVANCEMENT

We will pay defense costs on a current basis, but no later than ninety (90) days after we have received any invoice or bill, as well as any additional supporting documentation that we have reasonably requested.

If an insured person makes a written request for indemnification from an insured entity and within sixty (60) days of such request the insured entity fails to respond, or refuses to indemnify the insured person, then we will pay defense costs on behalf of the insured person after receipt of the claim in accordance with the above paragraph. We will continue to pay such defense costs until the insured entity fulfills its indemnification obligations, or the applicable limit of liability has been exhausted whichever occurs first.

We reserve all rights to recoup or recover from an insured entity any amount paid on behalf of an insured person in the event we pay loss that is an indemnification obligation within the Retention.

IX. DEFENSE OF CLAIMS

Subject to the following paragraph, we will have the right and duty to defend any claim even if the allegations in the claim are groundless, false, or fraudulent. Our duty to defend any claim will end, and we will have no further obligation to defend any claim, upon the exhaustion of the applicable limit of liability.

Solely with respect to any employment related claim you will have the duty to defend.



X. ALLOCATION

If we have the duty to defend a `claim` that incurs covered `loss` and uncovered loss because such `claim` includes covered and uncovered parties, or covered and uncovered matters, then the following will apply:

- (i) one hundred percent (100%) of `defense costs` incurred by such `insured` will be considered covered `loss`; and
- (ii) with respect to any loss other than `defense costs` you and we will use our best efforts to determine an allocation between covered `loss` and uncovered loss based on the relative legal and financial exposures of the parties to such matters.

Alternatively, if you have the duty to defend a `claim`, you and we will use our best efforts to determine an allocation between covered `loss` and uncovered loss based on the relative legal and financial exposures of the parties to such matters.

XI. OTHER INSURANCE

This Coverage Part will be excess of, and will not contribute with any valid and collectible insurance policy or Coverage Part that provides coverage or indemnifies `loss` for which this Coverage Part also provides coverage, unless such other insurance is written specifically as excess of the limit of liability of this Coverage Part.

This Coverage Part will be specifically excess of any valid and collectible insurance policy: (i) for environmental liability, cyber liability, professional services liability or employment practices liability; or (ii) written on a duty to defend basis unless such other insurance is written specifically as excess of the limit of liability of this Coverage Part.

With respect to an `executive` serving in his/her capacity as such for an `outside entity`, this Coverage Part will be excess of any insurance or indemnity available to such `insured person` by or on behalf of an `outside entity`.

Notwithstanding the above, this Coverage Part will apply as primary with respect to any personal umbrella or personal directorship liability insurance purchased by an `insured person`.

XII. IMPUTATION

We will only impute the conduct or knowledge of any past, present, or future Chief Executive Officer, Chief Financial Officer, or such functionally equivalent positions of the `named insured` to any `insured entity`.

We will not impute:

- (i) the conduct of any `insured person` with respect to `conduct` exclusion IV A(i) of this Coverage Part;
- (ii) the knowledge possessed by any `executive` with respect to any statements, representations, or information in the `application`; or
- (iii) the failure to provide us with full cooperation, assistance, or information as required, to any other `insured person`, nor will (i), (ii) or (iii) above impair the rights of any other `insured person` under this Coverage Part.

XIII. PRIORITY OF PAYMENTS

The coverage under this Coverage Part is intended principally to benefit the `insured person`. In the event that `loss` under the Side A Insuring Agreement, and any other insuring agreement or coverage extension are due simultaneously, then we will first pay `non-indemnifiable loss` on behalf of the `insured person`. In all other instances we will pay `loss` as it becomes due.



EMPLOYMENT PRACTICES AND
THIRD PARTY LIABILITY COVERAGE PART

In consideration of the premium and subject to the Declarations and the General Terms and Conditions, the parties agree as follows:

I. INSURING AGREEMENT

We will pay loss on behalf of the insureds arising from a claim against such insureds first made during the policy period.

II. SETTLEMENT RETENTION CREDIT

With respect to the settlement of a claim, if you and the claimant consent to the initial settlement offer, as recommended by us, within thirty (30) days of being made aware of such offer by us, we will reduce the applicable Retention for such claim by the lesser amount of ten percent (10%) of the Retention or ten thousand dollars (\$10,000) provided the settlement exceeds the Retention and such Retention has been met by the insured.

In the event that one claim is eligible for both this Settlement Retention Credit and the Mediation Retention Reduction found in Section II A Supplementary Benefits of the General Terms and Conditions, then the insured entity will receive only one such benefit.

III. DEFINITIONS

Any defined word not defined in this Coverage Part will have the meaning assigned to it in the General Terms and Conditions.

Antitrust means any actual or alleged violation of any United States law which prohibits antitrust, price fixing or price discrimination, restraint of trade or competition, monopolization, or predatory pricing, including horizontal or other price fixing of wages, hours, salaries, compensation, benefits, or any other terms or conditions of employment.

Applicant means any applicant or prospective applicant for employment with an insured entity.

Assumed liability means your voluntary assumption of the liability of others undertaken by you in any oral or written contract or agreement, unless such liability would have attached to you in the absence of such contract or agreement.

Breach means an intentional unauthorized access, intrusion, or control over an insured's computer system or network by a third party for some illicit purpose.

Claim means any:

- (i) written demand (excluding a subpoena) for monetary, non-monetary, injunctive, or declaratory relief, including a request to toll or waive a statute of limitations;
 - (ii) written request for arbitration, mediation, or other alternative dispute resolution; or
 - (iii) civil, administrative, or regulatory proceeding (excluding an audit), including an EEOC proceeding or proceeding by the Office of Federal Contract Compliance Programs,
- by or on behalf of an employee, applicant, or third party, in their capacity as such, against an insured for a wrongful act.

Claim will not include any criminal proceeding, criminal administrative or regulatory proceeding, criminal investigation, or labor or grievance arbitration or proceeding pursuant to a collective bargaining agreement or similar agreement.

Unless specifically stated elsewhere in this Coverage Part, a claim will be deemed first made on the earliest of the date on which the claim is served upon, or first received by, any insured.

EMPLOYMENT PRACTICES AND
THIRD PARTY LIABILITY COVERAGE PART

Defense costs mean the reasonable and necessary fees, costs, and expenses, including the cost of expert consultants and witnesses, incurred by an **insured** in the investigation, defense, or appeal of any covered **claim**, including the premium for appeal, attachment, or similar bonds arising out of a covered judgment. **Defense costs** include diversity sensitivity training costs. **Defense costs** do not include overhead expenses.

Discrimination means any alleged or actual violation of any United States law or common law which prohibits discrimination.

Diversity sensitivity training costs mean the reasonable and necessary costs incurred by an **insured entity** for any training, reeducation, sensitivity, or protected class development programs which the **insured entity** is obligated to establish by reason of a judgment, settlement, or alternative dispute resolution process in a covered **claim**.

EEOC proceeding means any investigative proceeding before the Equal Employment Opportunity Commission, or an adjudicatory or investigative proceeding before any similar federal, state, or local government body whose purpose is to address any **wrongful employment practice**.

Employee means any natural person, who is a past, present, or future full-time, part-time, seasonal or temporary worker, volunteer, intern, or **independent contractor** of an **insured entity**.

Employment related benefits mean perquisites, fringe benefits, deferred compensation, or payments (including insurance premiums and benefit claim payments) in connection with an employee benefit plan, **stock benefits** (or the equivalent value thereof), and any other payment to or for the benefit of an **employee** arising out of the employment relationship. **Employment related benefits** will not include salary, wages, commissions, or non-deferred cash incentive compensation.

ERISA means any actual or alleged violation of the Employee Retirement Income Security Act of 1974, (including the Consolidated Omnibus Budget Reconciliation Act of 1985)(COBRA).

Executive means any:

- (i) past, present, or future duly elected or appointed director, trustee (excluding a bankruptcy or litigation trustee), officer, governor, or managing member of a management committee of an **insured entity**;
- (ii) past, present, or future In-House General Counsel, Risk Manager, or Director of Human Resources, or such functionally equivalent position, of the **named insured**; or
- (iii) holder of such functionally equivalent position to those included in paragraphs (i) and (ii) above in any **insured entity** formed or organized outside of the United States, its territories or possessions.

Executive does not include any **employee**.

Harassment means any actual or alleged sexual harassment or other unlawful harassment, including bullying, quid pro quo sexual harassment, or hostile work environment.

Insured means any **insured person** or any **insured entity**.

Insured person means any **executive** or **employee**.

Invasion of privacy means any actual or alleged failure by an **insured** to secure an **employee's personal information** from unauthorized use or disclosure resulting in injury to such **employee**; provided **invasion of privacy** does not include unauthorized use or disclosure caused by a **breach**.

Loss means the amount that you are legally obligated to pay as a result of a **claim** including awards, settlements, compensatory damages (including back pay and front pay), judgments, pre-judgment and post-judgment interest, and claimants' attorney fees and costs attributable to the covered portion of a settlement or imposed as a result of a covered judgment, and **defense costs**.

EMPLOYMENT PRACTICES AND
THIRD PARTY LIABILITY COVERAGE PART

Loss will also include:

- (i) punitive, exemplary, or multiplied damages if such damages are insurable under the law in the jurisdiction which is most favorable to you; provided that such jurisdiction has a substantial relationship to us, you, or to the claim giving rise to such loss;
- (ii) liquidated damages awarded pursuant to the Age Discrimination in Employment Act, the Family Medical Leave Act, or the Equal Pay Act;
- (iii) pre-claim expenses.

Loss does not include:

- (a) costs to comply with any order or agreement to provide non-monetary relief or injunctive relief, or any accommodation under any United States law or common law which prohibits discrimination based on disability;
- (b) taxes, fines or penalties (other than those referenced in (i) above);
- (c) clean-up costs;
- (d) compensation earned by the claimant in the course of employment but unpaid by the insured, including salary, wages, commissions, severance, bonus, carried interest, or incentive compensation;
- (e) amounts not insurable under the law to which this policy is construed;
- (f) any amount for which an insured is absolved from payment by reason of any covenant, agreement, or court order;
- (g) future salary, wages, or commissions of a claimant who is hired, promoted, or reinstated to employment pursuant to a settlement of, order in, or other resolution of any claim; or
- (h) employment related benefits.

NLRA means any actual or alleged violation of the National Labor Relations Act, or similar law governing employees' rights and employers' duties with respect to unions, bargaining, strikes, boycotts, picketing, lockouts, or collective activities.

OSHA means any actual or alleged violation of the Occupational Safety and Health Act of 1970, or similar law governing workplace safety and health.

Overhead expenses mean the salaries, wages, fees, overhead, or benefit expenses associated with any insured.

Pending or prior litigation means any action, proceeding, investigation, inquiry, or written demand commenced against you pending on or prior to the date set forth in Item 4 of this Coverage Part Declarations.

Personal information means any nonpublic personal information relating to an identified or identifiable natural person.

Prior notice means any matter, fact, circumstance, situation, transaction, event, or wrongful act that has been the subject of any notice accepted under any employment practices liability policy or comparable policy, coverage section, or coverage part of which this Coverage Part is a direct or indirect renewal or replacement.

Responsible person will also mean the Director of Human Resources or such functionally equivalent position of the named insured.

Retaliation means any actual or alleged retaliatory act by an insured against an employee arising from such employee's:

- (i) whistleblower activity;
- (ii) participation, assistance, testimony, or cooperation in any internal or external proceeding or investigation regarding violations of law by an insured; or
- (iii) exercise of his/her rights, refusal to violate any law, or opposition to any unlawful practice or activity.

EMPLOYMENT PRACTICES AND
THIRD PARTY LIABILITY COVERAGE PART

Stock benefits mean any:

- (i) offering, plan, or agreement between an insured entity and any employee which grants stock, stock warrants, or stock options of an insured entity to any such employee, including grants of stock options, restricted stock, stock warrants, performance stock shares, or any other compensation or incentive granted in the form of securities of the insured entity; or
- (ii) payment or instrument in the amount or value of which is derived from the value of securities of the insured entity, including stock appreciation rights or phantom stock plans or arrangements.

Stock benefits will not include employee stock ownership plans or employee stock purchase plans.

Third party means any natural person who is not an employee or executive.

Third party wrongful act means any discrimination or harassment of a third party committed, attempted, or allegedly committed or attempted by an insured in such capacity.

Wage and hour means any actual or alleged violation of any United States law which regulates or governs employment wage, pay, or labor requirements or standards (except for the Equal Pay Act) including but not limited to:

- (i) the calculation, recordkeeping, timing or manner of payment of minimum wages, prevailing pay rates, overtime pay or other compensation alleged to be due and owing, including the failure to compensate for any unpaid vacation pay, off the clock or remote work, or for employer sponsored activities;
- (ii) failure to provide or enforce legally required meal or rest break periods;
- (iii) the classification of any entity or person for wage and hour purposes;
- (iv) garnishments, withholdings, or other deductions from wages;
- (v) use of federal or state tip credits or maintenance and distribution of tip pools; or
- (vi) reimbursement of work-related expense or tools to any person providing services or labor to or on behalf of an insured entity,

or any such similar practices, policies or procedures.

WARN means any actual or alleged violation of the Workers' Adjustment and Retraining Notification Act, or similar law governing employer notice requirements in advance of lay-offs or facility closings.

Whistleblower activity means the lawful activity by an employee, with respect to any alleged wrongdoing by an insured, who causes information to be provided to the attention of, or otherwise assists in an investigation by, a governmental or law enforcement agency, provided such activities are protected by statute with rights and remedies for retaliation recognized under United States law.

Worker benefits mean any actual or alleged violation of any United States law governing workers' compensation, unemployment insurance, social security, or disability benefits.

Workplace tort means any:

- (i) negligent hiring, training, supervision, or evaluation of employees;
- (ii) failure to adopt or enforce adequate workplace or employment policies and procedures;
- (iii) false imprisonment, false arrest, detention, or malicious prosecution;
- (iv) libel, slander, defamation, or humiliation;
- (v) invasion of privacy; or
- (vi) wrongful infliction of emotional distress.

Wrongful act means: (i) any wrongful employment practice but only with respect to any employee or any applicant; or (ii) any third party wrongful act but only with respect to any third party. A wrongful act includes any actual or alleged conduct that takes place via electronic communication, including social media and internet websites.

EMPLOYMENT PRACTICES AND
THIRD PARTY LIABILITY COVERAGE PART

Wrongful employment decision means any:

- (i) actual or constructive wrongful dismissal, discharge, or termination of employment;
- (ii) wrongful deprivation of career opportunity, demotion, failure to grant tenure, failure to train, failure to employ or promote, or failure to advance to the status of partner or equity partner;
- (iii) employment related misrepresentation, including inducement to become or remain employed based on an erroneous job description; or
- (iv) wrongful discipline of employees.

Wrongful employment practice means any employment related:

- (i) breach of any written employment contract or agreement, including any written contract or agreement concerning severance payments or contractual obligation arising out of any employee handbook, personnel manual, policy statement, or other representation;
- (ii) discrimination;
- (iii) harassment;
- (iv) retaliation;
- (v) workplace tort; or
- (vi) wrongful employment decision,

committed, attempted, or allegedly committed or attempted by an insured in such capacity.

IV. COVERAGE PART EXCLUSIONS

We will not cover loss in connection with any claim:

A. based upon or arising from:

- (i) assumed liability;
- (ii) prior notice;
- (iii) pending or prior litigation;
- (iv) wage and hour; provided this exclusion (iv) will not apply to any claim on account of retaliation;
- (v) antitrust; provided this exclusion (v) will not apply to any claim on account of retaliation; or
- (vi) pollution; provided this exclusion (vi) will not apply to any claim on account of retaliation.

B. for:

- (i) property damage;
- (ii) bodily injury; provided this exclusion (ii) will not apply to any actual or alleged emotional distress, mental anguish or humiliation when made in connection with any claim;
- (iii) worker benefits, ERISA (except for Section 510), OSHA, WARN, or NLRA; provided these exclusions (iii) will not apply to any claim on account of retaliation; or
- (iv) any breach of any written employment contract or agreement, including any severance agreement or golden parachute agreement, or any compensation agreement payable upon the termination of any employee; provided this exclusion (iv) will not apply to:
 - (a) defense costs, or
 - (b) liability that would be imposed in the absence of such employment contract or agreement.

V. SPECIFIC LIMIT OF LIABILITY, SUBLIMITS AND RETENTIONS

The most we will pay for all loss arising from all claims is the aggregate limit of liability set forth in Item 2 of this Coverage Part Declarations

A single Retention will apply to each claim.

VI. DEFENSE COSTS

We will pay `defense costs` on a current basis, but no later than ninety (90) days after we have received any invoice or bill, as well as any additional supporting documentation that we have reasonably requested.

VII. DEFENSE OF CLAIMS

A. Duty to Defend Coverage

If you have elected duty to defend coverage as indicated in Item 5 of the Declarations for this Coverage Part, then we will have the right and duty to defend any `claim` even if the allegations in the `claim` are groundless, false, or fraudulent. Our duty to defend any `claim` will end, and we will have no further obligation to defend any `claim` upon the exhaustion of the applicable limit of liability.

B. Non-Duty to Defend Coverage

If you have elected non-duty to defend coverage as indicated in Item 5 of the Declarations for this Coverage Part, then you will have the duty to defend any `claim` covered under this Coverage Part.

C. Regardless of your Item 5 election you will have the duty to defend any `claim` alleging a `wage and hour` violation, or any `claim` alleging both a `wage and hour` violation and a `wrongful employment practice`.

VIII. ALLOCATION

If we have the duty to defend a `claim` that incurs covered `loss` and uncovered loss because such `claim` includes covered and uncovered parties, or covered and uncovered matters, then the following will apply:

- (i) one hundred percent (100%) of `defense costs` incurred by such `insured` will be considered covered `loss`; and
- (ii) with respect to any loss other than `defense costs` you and we will use our best efforts to determine an allocation between covered `loss` and uncovered loss based on the relative legal and financial exposures of the parties to such matters.

Alternatively, if you have the duty to defend a `claim`, you and we will use our best efforts to determine an allocation between covered `loss` and uncovered loss based on the relative legal and financial exposures of the parties to such matters.

IX. OTHER INSURANCE

A. This Coverage Part will be excess of, and will not contribute with any valid and collectible insurance policy that provides coverage or indemnifies `loss` for which this Coverage Part also provides coverage, unless such other insurance is written specifically as excess of the limit of liability of this Coverage Part.B. Coordination of Coverage Provision

Any `loss` otherwise covered by both this policy and any employment practices liability policy or Coverage Part issued by us or any affiliate ("EPL Coverage") will be covered first under such EPL Coverage subject to such EPL Coverage limit of liability, retention and coinsurance percentage. Any remaining `loss` otherwise covered by this policy that is not paid under such EPL Coverage will then be covered under this policy subject to the applicable Limit of Liability and Retention. Provided, however, that the Retention applicable to such `loss` under this policy will be reduced by the amount of `loss` otherwise covered by this policy that is paid by an `insured` as the retention under such EPL Coverage.



X. IMPUTATION

We will only impute the conduct or knowledge of any past, present, or future Chief Executive Officer, Chief Financial Officer, Director of Human Resources, or such functionally equivalent positions of the named insured to any insured entity.

We will not impute:

- (i) the knowledge possessed by any executive with respect to any statements, representations, or information in the application; or
- (ii) the failure to provide us with full cooperation, assistance, or information as required, to any other insured person, nor will (i) or (ii) above impair the rights of any other insured person under this Coverage Part.



JOBS ACT EXCLUSION ENDORSEMENT

In consideration of the premium, the Directors and Officers and Entity Liability Coverage Part of the policy is amended as follows:

I. Section III, Definitions is amended to include the following definition:

JOBS Act Offering means any conduct that is governed by the Jumpstart Our Business Startups Act of 2012, including any actual or alleged advertisement, solicitation, crowdfunding, offering, distribution, issuance, sale, purchase, or transaction of securities.

II. Section IV, Coverage Part Exclusions is amended to include the following exclusion:

We will not cover loss in connection with any claim based upon or arising from any JOBS Act Offering; provided this exclusion will not apply to any claim involving: (i) securities related to a failed undertaking of, or failure to complete, an initial public offering; or (ii) preparation for a public offering, including any road show presentation to potential investors.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



AMENDATORY ENDORSEMENT - OKLAHOMA

In consideration of the premium, Section III, Definitions of the Directors & Officers and Entity Liability Coverage Part is amended as follows:

I. The following new paragraph is added to the definition of `defense costs`:

`Defense costs` also do not include salaries of our officers or employees and adjusting expenses, or other expenses incurred by us in the ordinary course of our business.

II. With respect to punitive damages the following new paragraph is added:

Notwithstanding anything to the contrary, any coverage of punitive damages will be provided to the extent allowed by Oklahoma law.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



AMENDATORY ENDORSEMENT - OKLAHOMA

In consideration of the premium, Section III, Definitions of the Employment Practices Liability Coverage Part is amended as follows:

I. The following new paragraph is added to the definition of `defense costs`:

`Defense costs` also do not include salaries of our officers or employees and adjusting expenses, or other expenses incurred by us in the ordinary course of our business.

II. With respect to punitive damages the following new paragraph is added:

Notwithstanding anything to the contrary, any coverage of punitive damages will be provided to the extent allowed by Oklahoma law.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



BIOMETRICS PRIVACY EXCLUSION ENDORSEMENT

In consideration of the premium, the Employment Practices and Third Party Liability Coverage Part is amended as follows:

I. Section III, Definitions is amended to add the following definition:

Biometrics privacy means any actual or alleged violation of any United States law or any similar common law pertaining to biometric privacy that governs or relates to the collection, use, safeguarding, handling, storage, retention, or destruction of biometric identifiers, biometric data, or biometric information.

II. Paragraph A of Section IV, Coverage Part Exclusions is amended to add the following exclusion:

We will not cover **loss** in connection with any **claim** based upon or arising from **biometrics privacy**; provided this exclusion will not apply to any **claim** on account of **retaliation**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



OPIOID EXCLUSION ENDORSEMENT

In consideration of the premium, solely with respect to the Directors & Officers and Entity Liability Coverage Part Coverage Part(s), Section IV, Coverage Part Exclusions is amended to add the following exclusion:

We will not cover **loss** in connection with any **claim** based upon or arising out of the sale, distribution, use, misuse, addiction to, prescription for, dependency upon, guidelines for reporting, and/or diversion prevention with respect to any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind including any **claim** based on or arising out of any actual or alleged:

- (i) liability under, non-compliance with, or violation of, any federal, state, local, tribal or foreign act, statute, regulation, ordinance, requirement, law, or common law of any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind;
- (ii) leasing, licensing, handling, marketing, branding, promoting, diverting, disposing, or labeling of any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind;
- (iii) improper warning or failure to warn including any warning of the adverse or addictive properties of any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind;
- (iv) suspicious orders or orders of interest monitoring, rebates, chargebacks, or other similar data sharing concerning any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind;
- (v) communications with manufacturers, or distributors of, opioids, opiates or any narcotic drugs, narcotic medications or narcotic substances of any type, nature or kind with respect to guidelines relating to litigation, investigation, enforcement activity, or settlements related to any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind;
- (vi) lobbying or advocacy on behalf of any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind manufacturers or distributors; or
- (vii) research projects, data metrics, benchmarking data, publications, or dissemination of any such information, relating to any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind,

by any **insured** or by anyone for whose acts the **insured** is liable.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



OPIOID EXCLUSION ENDORSEMENT

In consideration of the premium, solely with respect to the Employment Practices Liability Coverage Part Coverage Part(s), Section IV, Coverage Part Exclusions is amended to add the following exclusion:

We will not cover **loss** in connection with any **claim** based upon or arising out of the sale, distribution, use, misuse, addiction to, prescription for, dependency upon, guidelines for reporting, and/or diversion prevention with respect to any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind including any **claim** based on or arising out of any actual or alleged:

- (i) liability under, non-compliance with, or violation of, any federal, state, local, tribal or foreign act, statute, regulation, ordinance, requirement, law, or common law of any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind;
- (ii) leasing, licensing, handling, marketing, branding, promoting, diverting, disposing, or labeling of any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind;
- (iii) improper warning or failure to warn including any warning of the adverse or addictive properties of any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind;
- (iv) suspicious orders or orders of interest monitoring, rebates, chargebacks, or other similar data sharing concerning any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind;
- (v) communications with manufacturers, or distributors of, opioids, opiates or any narcotic drugs, narcotic medications or narcotic substances of any type, nature or kind with respect to guidelines relating to litigation, investigation, enforcement activity, or settlements related to any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind;
- (vi) lobbying or advocacy on behalf of any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind manufacturers or distributors; or
- (vii) research projects, data metrics, benchmarking data, publications, or dissemination of any such information, relating to any opioid, opiate or any narcotic drug, narcotic medication or narcotic substance of any type, nature or kind,

by any **insured** or by anyone for whose acts the **insured** is liable.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



SEPARATE RETENTION FOR CLAIMS BROUGHT BY HEALTH CARE PROVIDER ENDORSEMENT

In consideration of the premium, solely for purposes of coverage provided under this endorsement, the Employment Practices and Third Party Liability Coverage Part is amended as follows:

I. Section III, Definitions is amended to add the following definition:

- **Health care provider** means an insured person who is licensed to practice medicine in any state and maintains a professional practice, including a doctor of medicine or osteopathy, podiatrist, dentist, veterinarian, chiropractor, clinical psychologist, optometrist, or a clinical social worker.

II. Section V, Specific Limit of Liability, Sublimits and Retentions is amended to add the following:

Solely with respect to any claim brought by a health care provider, the Retention for each claim will be \$75,000. If there are two Retentions that apply to the same claim, we will only apply the higher Retention.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



HEALTHCARE ENDORSEMENT
(Sublimited Regulatory Claim Coverage)

In consideration of the premium, the Directors and Officers and Entity Liability and Employment Practices Coverage Parts of the policy are amended as follows:

I. Section III, Definitions of the General Terms and Conditions is amended as follows:

A. The definition `pre-claim expenses` is amended to include the following:

Provided in the event a `noticed matter` gives rise to a `regulatory claim`, `pre-claim expenses` will not include fees, costs, or expenses incurred by an `insured` in defending or responding to such `noticed matter`.

B. The definition of `pollutants` is amended to include `nuclear materials`.

II. The Directors and Officers and Entity Liability Coverage Part of the policy is amended as follows:

A. The following Insuring Agreement is added to Section I, Insuring Agreements:

Regulatory Claim Coverage

We will pay `defense costs` on behalf of an `insured` arising from a `regulatory claim` against such `insured` first made during the `policy period`.

B. Section III, Definitions is amended as follows:

1. Solely with respect to a `regulatory claim`, the definition of `claim` is deleted and replaced with the following:

`Claim` means any:

- (i) written demand (excluding a subpoena) for monetary, non-monetary, injunctive, or declaratory relief including a request for alternative dispute resolution;
 - (ii) civil or criminal proceeding, (including a `qui tam` or relator proceeding) commenced by the earlier of: (a) the return of service of a complaint or indictment upon an `insured`; (b) the filing of an indictment or information with respect to an `insured`; or (c) the arrest or detention of an `insured`; or
 - (ii) a formal administrative or regulatory proceeding or investigation evidenced by: (a) notice of charges or investigation; (b) service of subpoena, search warrant or similar document requesting witness testimony of an `insured person` who has been identified as a target of such investigation; (c) receipt of a target letter or civil investigative demand by an `insured person` identified as a target of such investigation,
- of, or against, an `insured` for a `regulatory wrongful act`, including any appeal therefrom. `Claim` will not include `inquiry, books and record demand` or any `securityholder derivative demand`.

Unless specifically stated elsewhere in this endorsement, a `claim` will be deemed first made on the earliest of the date on which the `claim` is served upon, or first received by, any `insured`, or the applicable notice or order is filed or entered.

2. The definition of `loss` is amended as follows:

`Loss` will also include `health care fines, penalties and taxes` subject to the applicable sublimit of liability.

The paragraph which begins with `loss` does not include is deleted and replaced with the following:

`Loss` does not include:



- (a) costs to comply with any order or agreement to provide non-monetary or injunctive relief;
- (b) taxes, fines or penalties (other than those referenced in (i), (ii) or (iii) above and health care fines, penalties and taxes);
- (c) clean-up costs;
- (d) amounts not insurable under the law to which this policy is construed;
- (e) any amount for which an insured is absolved from payment by reason of any covenant, agreement, or court order; or
- (f) the return of funds which were received directly or indirectly from any federal, state or local governmental agency and any interest, fines or penalties arising out of the return of such funds.

3. The following definitions are added:

Cyber event means any actual or alleged:

- (i) exploit;
- (ii) unauthorized access or use;
- (iii) network impairment, or
- (iv) failure to implement, maintain, or comply with federal, state or local law, statute or regulation, or an insured entity's internal written policies and procedures, with respect to protected information.

Excess benefit transaction taxes mean those taxes imposed by the Internal Revenue Service, pursuant to Section 4958 (a)(2) of the Internal Revenue Code, upon an insured person as a result of such insured person's participation in an excess benefit transaction as defined in Section 4958(c) of the Internal Revenue Code ("the Code").

Exploit means the breach of, or unauthorized or unlawful access to, any network, resulting in denial of service, delay to a network, or infection of a network through malware, spyware, virus or any such similar unauthorized code, application or software.

Government entity means any federal, state, or local governmental agency, regulatory or administrative agency or entity, or any such foreign equivalent.

Health care fines, penalties and taxes mean the following civil fines or penalties and taxes:

- (i) taxes or penalties imposed against an insured entity, (or its insured persons) that is a not-for-profit entity or organization exempt from federal income taxation pursuant to section 501(c)(3) of the Code assessed pursuant to the following provisions of the Code:
 - (a) Section 4911 (tax on excess expenditures to influence legislation);
 - (b) Section 4940 (a) (tax on net investment income of tax-exempt foundations);
 - (c) Section 4941 (taxes on self-dealing);
 - (d) Section 4942 (taxes on failure to distribute income);
 - (e) Section 4943 (taxes on excess business holding);
 - (f) Section 4944 (taxes on investments which jeopardize charitable purpose);
 - (g) Section 4945 (taxes on taxable expenditures);
 - (h) Section 6652 (c) (1) (A) and (B) (penalties for failure to file certain information returns or registration statements);
 - (i) Section 6655 (a)(1) (penalties for failure to pay estimated income tax); and
 - (j) Section 6656 (a) and (b) (penalties for failure to make deposit of taxes), but only if such insured entity or its insured persons relied upon a written "more likely than not" or "will" opinion of a duly licensed tax attorney, certified public account, or accounting firm or a tax return prepared by a certified public account or accounting firm duly appointed by the Board of Trustees of such insured entity in advance of the conduct that gave rise to the fines or penalties ("IRC Fines");
- (ii) excess benefit transaction taxes, provided these do not include the twenty-five (25%) excise tax assessed against any "disqualified person" or the two hundred percent (200%)



tax assessed for failure to correct an “excise benefit transaction”, as set forth in Section 4958 of the Code;

- (iii) civil fines or penalties imposed for violations of the Emergency Medical Treatment and Active Labor Act, 42 U.S.C. 1396dd et seq., and any similar state or local statute (“EMTALA Fines”);
- (iv) civil fines or penalties imposed for violations of the privacy provisions of Health Insurance Portability and Accountability Act of 1996 and any similar state or local statute (“HIPAA Fines”).

Network means any computer, program, database, server, mainframe, software, hardware, mobile devices, applications, storage or back-up devices, or such similar components of a digital telecommunication network that is owned or operated by, or on behalf of, or for the benefit of the insured entity. **Network** does not include the internet, telephone company networks, electrical grids, or other public infrastructure network.

Network impairment means the disruption, theft, modification, destruction or damage to any network, that results in the impairment of the network to such an extent that the insured entity is substantially unable to conduct normal and customary business operations

Nuclear materials mean any nuclear or radioactive substance or hazardous properties resulting from any nuclear reaction, nuclear radiation or radioactive contamination.

Protected information means nonpublic proprietary and confidential information of a third-party entity, or any nonpublic personal information relating to an identified or identifiable natural person.

Regulatory claim means a claim brought by or on behalf of a government entity arising out of a regulatory wrongful act. **Regulatory claim** does not include routine examinations.

Regulatory wrongful act means a wrongful act arising out of any insured’s alleged or actual violation of: (i) the Federal False Claims Act or any similar common law; (ii) Ethics in Patient Referral Act 1989 (“Stark Law”) or any similar common law; or (iii) any United States law which prohibits kickbacks, self-referrals, or healthcare fraud and abuse.

III. Section III, Definitions of both the Directors and Officers and Entity Liability Coverage Part and the Employment Practices and Third Party Liability Coverage Part are amended as follows:

A. The definition of **insured person** is deleted and replaced with the following:

Insured person means any employee, executive, independent contractor any duly constituted committee member, member of the faculty or staff or a medical director.

B. The following definitions are added:

Abuse or molestation means any actual, alleged, attempted, proposed or threatened sexual molestation, abuse, assault, or battery, whether or not intentional, of any natural person.

Billing and collection services mean billing or collection of fees for any services performed by an insured.

Insurance company operations mean any of the following services or activities:

- (i) the refusal to offer, issue or renew, or any cancellation of, any insurance contract;
- (ii) any actual or alleged lack of good faith or unfair dealing in the handling of any claim or obligation under any insurance contract;
- (iii) the brokering or underwriting of insurance policies or risks;
- (iv) any actual or alleged conduct of any Insured in the negotiation, placement or maintenance of any insurance contract;
- (v) any failure to collect or pay premiums, commissions, brokerage charges, fees or taxes;
- (vi) or any commingling or mishandling of funds with respect to any insurance contract;



- (vii) any actuarial determination including without limitation opinions as to reserve adequacy or pricing adequacy;
- (viii) the offering or sale of shares of any unit investment trust or management investment company or of variable annuity plans, including any diminution of assets in connection with said offering or sale of shares.

Insurance contract means any policy or agreement of insurance, reinsurance or indemnity, (including but not limited to any policy or agreement of insurance, reinsurance or indemnity that is administered by a third party administrator) including, but not limited to, bonds, annuities, endowments, health care plans or health care products, dental plans or dental products, life insurance plans or life insurance products, disability plans or disability products, pension contracts and risk management self-insurance programs, pools or similar programs. **Insurance contract** will also include any policy or program of stop loss or provider excess insurance, reinsurance or self-insurance (including any captive insurance arrangement).

Managed care activity means any of the following services or activities performed by, or on behalf of, a managed care organization:

- (i) handling, adjustment, payment of claims or determination of coverage benefits;
- (ii) process of evaluating the appropriateness, necessity or cost of medical services;
- (iii) providing quality assurance, or reviewing costs, of medical services;
- (iv) establishing medical services provider networks;
- (v) development of, implementation of, administration of, establishment of, protocols, guidelines and procedures for:
 - (a) managed care network for medical services providers;
 - (b) quality assurance reviews;
 - (c) health and wellness education;
 - (d) clinical parameters;
 - (e) financial incentive plans;
 - (f) triage for payment authorization for medical services.

Managed care organization means any insured entity that is a health maintenance organization, preferred provider organization, or any similar entity which provides, or arranges to provide, medical services to members of such entity pursuant to a written contract.

Medical review and provider selection process claim means any claim brought by or on behalf of an independent contractor of medical services for a wrongful act occurring as part of the evaluation, credentialing, disciplining, selecting, contracting, privileging or peer review of such independent contractor of medical services in such capacity, provided such wrongful act is not committed by or on behalf of a managed care organization.

Medical services mean the furnishing of medicine, pharmaceutical-related, health-related or medical-related services, care or treatment to a natural person.

IV. Section IV, Coverage Part Exclusions of the Directors and Officers and Entity Liability Coverage Part is amended as follows:

A. Exclusion C(iv) is deleted and replaced with the following:

- (iv) based upon or arising from bodily injury; provided this exclusion (iv) will not apply to any:
 - (a) claim for non-indemnifiable loss;
 - (b) securityholder claim;
 - (c) actual or alleged emotional distress, mental anguish or humiliation made in connection with any employment related claim (other than an abuse or molestation claim) against an insured person;
 - (d) defense costs incurred by an executive in the defense of a claim for any actual or alleged violation of a corporate manslaughter statute by such executive

B. Exclusion D is amended by adding the following:



brought by, or on behalf of, any insured in any capacity against any insured, or an outside entity against any insured.

C. The following exclusions are added:

- We will not cover loss in connection with any medical review and provider selection process claim.
- We will not cover loss in connection with any claim based upon or arising from any:
 - (a) managed care activity;
 - (b) insurance company operations;
 - (c) billing and collection services, provided this exclusion (c) will not apply to any regulatory claim;
 - (d) cyber event, provided this exclusion (d) will not apply to any claim for non-indemnifiable loss; or
 - (e) abuse or molestation (this exclusion (e) will apply regardless of the legal theory or basis upon which an insured is alleged to be liable, including but not limited to assertions of improper or negligent employment, continued employment, investigation, failure to investigate, supervision, or failure to supervise).

V. Section V, Specific Limit of Liability, Sublimits and Retentions of the Directors and Officers and Entity Liability Coverage Part is amended by adding the following:

- The most we will pay for all health care fines, penalties and taxes, including defense costs, in connection with all claims for IRC Fines is \$100,000, such sublimited coverage will be part of, and not in addition to, the Aggregate Limit of Liability set forth in Item 2 of this Coverage Part.
- The most we will pay for all health care fines, penalties and taxes, including defense costs, in connection with all claims for excess benefit transaction taxes is \$100,000, such sublimited coverage will be part of, and not in addition to, the Aggregate Limit of Liability set forth in Item 2 of this Coverage Part.
- The most we will pay for all health care fines, penalties and taxes, including defense costs, in connection with all claims for EMTALA Fines is \$100,000, such sublimited coverage will be part of, and not in addition to, the Aggregate Limit of Liability set forth in Item 2 of this Coverage Part.
- The most we will pay for all health care fines, penalties and taxes, including defense costs, in connection with all claims for HIPAA Fines is \$25,000, such sublimited coverage will be part of, and not in addition to, the Aggregate Limit of Liability set forth in Item 2 of this Coverage Part.
- The most we will pay for all defense costs arising from all regulatory claims is \$100,000, such sublimited coverage will be part of, and not in addition to, the Aggregate Limit of Liability set forth in Item 2 of this Coverage Part.
- A separate Retention of \$25,000 will apply to each regulatory claim.
- A separate coinsurance percentage of 20 percent will apply to all defense costs for each regulatory claim. The coinsurance percentage will apply in excess of any Retention and will be uninsured and your responsibility to pay. Our liability will apply only to the remaining percent of all such defense costs.

VI. Section IX, Defense of Claims of the Directors and Officers and Entity Liability Coverage Part is amended to include the following:

With respect to any regulatory claim you will have the duty to defend.



VII. Section IV, Coverage Part Exclusions of the Employment Practices and Third Party Liability Coverage Part is amended as follows:

A. Exclusion B(ii) *bodily injury* is deleted.

B. The following exclusions are added:

- We will not cover *loss* in connection with any *claim* based upon or arising from *bodily injury*, provided this exclusion will not apply to any actual or alleged emotional distress, mental anguish or humiliation when made in connection with any *claim* brought by an *employee*.
- We will not cover *loss* in connection with any *medical review and provider selection process claim*.
- We will not cover *loss* in connection with any *claim* based upon or arising from any:
 - (a) *managed care activity*;
 - (b) *insurance company operations*;
 - (c) *billing and collection services*; or
 - (d) *abuse or molestation* (this exclusion (d) will apply regardless of the legal theory or basis upon which an *insured* is alleged to be liable, including but not limited to assertions of improper or negligent employment, continued employment, investigation, failure to investigate, supervision, or failure to supervise).

VIII. The Other Insurance Sections of both the Directors and Officers and Entity Liability Coverage Part and the Employment Practices and Third Party Liability Coverage Part are amended to include the following:

In addition to the above, this Coverage Part will be excess of and will not contribute with any valid and collectible managed care errors and omissions insurance policy, medical professional liability or professional liability insurance policy.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



HEALTHCARE ENDORSEMENT
(Sublimited Regulatory Claim Coverage)

In consideration of the premium, the Directors and Officers and Entity Liability and Employment Practices Coverage Parts of the policy are amended as follows:

I. Section III, Definitions of the General Terms and Conditions is amended as follows:

A. The definition `pre-claim expenses` is amended to include the following:

Provided in the event a `noticed matter` gives rise to a `regulatory claim`, `pre-claim expenses` will not include fees, costs, or expenses incurred by an `insured` in defending or responding to such `noticed matter`.

B. The definition of `pollutants` is amended to include `nuclear materials`.

II. The Directors and Officers and Entity Liability Coverage Part of the policy is amended as follows:

A. The following Insuring Agreement is added to Section I, Insuring Agreements:

Regulatory Claim Coverage

We will pay `defense costs` on behalf of an `insured` arising from a `regulatory claim` against such `insured` first made during the `policy period`.

B. Section III, Definitions is amended as follows:

1. Solely with respect to a `regulatory claim`, the definition of `claim` is deleted and replaced with the following:

`Claim` means any:

- (i) written demand (excluding a subpoena) for monetary, non-monetary, injunctive, or declaratory relief including a request for alternative dispute resolution;
 - (ii) civil or criminal proceeding, (including a `qui tam` or relator proceeding) commenced by the earlier of: (a) the return of service of a complaint or indictment upon an `insured`; (b) the filing of an indictment or information with respect to an `insured`; or (c) the arrest or detention of an `insured`; or
 - (ii) a formal administrative or regulatory proceeding or investigation evidenced by: (a) notice of charges or investigation; (b) service of subpoena, search warrant or similar document requesting witness testimony of an `insured person` who has been identified as a target of such investigation; (c) receipt of a target letter or civil investigative demand by an `insured person` identified as a target of such investigation,
- of, or against, an `insured` for a `regulatory wrongful act`, including any appeal therefrom. `Claim` will not include `inquiry, books and record demand` or any `securityholder derivative demand`.

Unless specifically stated elsewhere in this endorsement, a `claim` will be deemed first made on the earliest of the date on which the `claim` is served upon, or first received by, any `insured`, or the applicable notice or order is filed or entered.

2. The definition of `loss` is amended as follows:

`Loss` will also include `health care fines, penalties and taxes` subject to the applicable sublimit of liability.

The paragraph which begins with `loss` does not include is deleted and replaced with the following:

`Loss` does not include:



- (a) costs to comply with any order or agreement to provide non-monetary or injunctive relief;
- (b) taxes, fines or penalties (other than those referenced in (i), (ii) or (iii) above and health care fines, penalties and taxes);
- (c) clean-up costs;
- (d) amounts not insurable under the law to which this policy is construed;
- (e) any amount for which an insured is absolved from payment by reason of any covenant, agreement, or court order; or
- (f) the return of funds which were received directly or indirectly from any federal, state or local governmental agency and any interest, fines or penalties arising out of the return of such funds.

3. The following definitions are added:

Cyber event means any actual or alleged:

- (i) exploit;
- (ii) unauthorized access or use;
- (iii) network impairment, or
- (iv) failure to implement, maintain, or comply with federal, state or local law, statute or regulation, or an insured entity's internal written policies and procedures, with respect to protected information.

Excess benefit transaction taxes mean those taxes imposed by the Internal Revenue Service, pursuant to Section 4958 (a)(2) of the Internal Revenue Code, upon an insured person as a result of such insured person's participation in an excess benefit transaction as defined in Section 4958(c) of the Internal Revenue Code ("the Code").

Exploit means the breach of, or unauthorized or unlawful access to, any network, resulting in denial of service, delay to a network, or infection of a network through malware, spyware, virus or any such similar unauthorized code, application or software.

Government entity means any federal, state, or local governmental agency, regulatory or administrative agency or entity, or any such foreign equivalent.

Health care fines, penalties and taxes mean the following civil fines or penalties and taxes:

- (i) taxes or penalties imposed against an insured entity, (or its insured persons) that is a not-for-profit entity or organization exempt from federal income taxation pursuant to section 501(c)(3) of the Code assessed pursuant to the following provisions of the Code:
 - (a) Section 4911 (tax on excess expenditures to influence legislation);
 - (b) Section 4940 (a) (tax on net investment income of tax-exempt foundations);
 - (c) Section 4941 (taxes on self-dealing);
 - (d) Section 4942 (taxes on failure to distribute income);
 - (e) Section 4943 (taxes on excess business holding);
 - (f) Section 4944 (taxes on investments which jeopardize charitable purpose);
 - (g) Section 4945 (taxes on taxable expenditures);
 - (h) Section 6652 (c) (1) (A) and (B) (penalties for failure to file certain information returns or registration statements);
 - (i) Section 6655 (a)(1) (penalties for failure to pay estimated income tax); and
 - (j) Section 6656 (a) and (b) (penalties for failure to make deposit of taxes), but only if such insured entity or its insured persons relied upon a written "more likely than not" or "will" opinion of a duly licensed tax attorney, certified public account, or accounting firm or a tax return prepared by a certified public account or accounting firm duly appointed by the Board of Trustees of such insured entity in advance of the conduct that gave rise to the fines or penalties ("IRC Fines");
- (ii) excess benefit transaction taxes, provided these do not include the twenty-five (25%) excise tax assessed against any "disqualified person" or the two hundred percent (200%)



tax assessed for failure to correct an “excise benefit transaction”, as set forth in Section 4958 of the Code;

- (iii) civil fines or penalties imposed for violations of the Emergency Medical Treatment and Active Labor Act, 42 U.S.C. 1396dd et seq., and any similar state or local statute (“EMTALA Fines”);
- (iv) civil fines or penalties imposed for violations of the privacy provisions of Health Insurance Portability and Accountability Act of 1996 and any similar state or local statute (“HIPAA Fines”).

Network means any computer, program, database, server, mainframe, software, hardware, mobile devices, applications, storage or back-up devices, or such similar components of a digital telecommunication network that is owned or operated by, or on behalf of, or for the benefit of the insured entity. **Network** does not include the internet, telephone company networks, electrical grids, or other public infrastructure network.

Network impairment means the disruption, theft, modification, destruction or damage to any network, that results in the impairment of the network to such an extent that the insured entity is substantially unable to conduct normal and customary business operations

Nuclear materials mean any nuclear or radioactive substance or hazardous properties resulting from any nuclear reaction, nuclear radiation or radioactive contamination.

Protected information means nonpublic proprietary and confidential information of a third-party entity, or any nonpublic personal information relating to an identified or identifiable natural person.

Regulatory claim means a claim brought by or on behalf of a government entity arising out of a regulatory wrongful act. **Regulatory claim** does not include routine examinations.

Regulatory wrongful act means a wrongful act arising out of any insured’s alleged or actual violation of: (i) the Federal False Claims Act or any similar common law; (ii) Ethics in Patient Referral Act 1989 (“Stark Law”) or any similar common law; or (iii) any United States law which prohibits kickbacks, self-referrals, or healthcare fraud and abuse.

III. Section III, Definitions of both the Directors and Officers and Entity Liability Coverage Part and the Employment Practices and Third Party Liability Coverage Part are amended as follows:

A. The definition of **insured person** is deleted and replaced with the following:

Insured person means any employee, executive, independent contractor any duly constituted committee member, member of the faculty or staff or a medical director.

B. The following definitions are added:

Abuse or molestation means any actual, alleged, attempted, proposed or threatened sexual molestation, abuse, assault, or battery, whether or not intentional, of any natural person.

Billing and collection services mean billing or collection of fees for any services performed by an insured.

Insurance company operations mean any of the following services or activities:

- (i) the refusal to offer, issue or renew, or any cancellation of, any insurance contract;
- (ii) any actual or alleged lack of good faith or unfair dealing in the handling of any claim or obligation under any insurance contract;
- (iii) the brokering or underwriting of insurance policies or risks;
- (iv) any actual or alleged conduct of any Insured in the negotiation, placement or maintenance of any insurance contract;
- (v) any failure to collect or pay premiums, commissions, brokerage charges, fees or taxes;
- (vi) or any commingling or mishandling of funds with respect to any insurance contract;



- (vii) any actuarial determination including without limitation opinions as to reserve adequacy or pricing adequacy;
- (viii) the offering or sale of shares of any unit investment trust or management investment company or of variable annuity plans, including any diminution of assets in connection with said offering or sale of shares.

Insurance contract means any policy or agreement of insurance, reinsurance or indemnity, (including but not limited to any policy or agreement of insurance, reinsurance or indemnity that is administered by a third party administrator) including, but not limited to, bonds, annuities, endowments, health care plans or health care products, dental plans or dental products, life insurance plans or life insurance products, disability plans or disability products, pension contracts and risk management self-insurance programs, pools or similar programs. **Insurance contract** will also include any policy or program of stop loss or provider excess insurance, reinsurance or self-insurance (including any captive insurance arrangement).

Managed care activity means any of the following services or activities performed by, or on behalf of, a managed care organization:

- (i) handling, adjustment, payment of claims or determination of coverage benefits;
- (ii) process of evaluating the appropriateness, necessity or cost of medical services;
- (iii) providing quality assurance, or reviewing costs, of medical services;
- (iv) establishing medical services provider networks;
- (v) development of, implementation of, administration of, establishment of, protocols, guidelines and procedures for:
 - (a) managed care network for medical services providers;
 - (b) quality assurance reviews;
 - (c) health and wellness education;
 - (d) clinical parameters;
 - (e) financial incentive plans;
 - (f) triage for payment authorization for medical services.

Managed care organization means any insured entity that is a health maintenance organization, preferred provider organization, or any similar entity which provides, or arranges to provide, medical services to members of such entity pursuant to a written contract.

Medical review and provider selection process claim means any claim brought by or on behalf of an independent contractor of medical services for a wrongful act occurring as part of the evaluation, credentialing, disciplining, selecting, contracting, privileging or peer review of such independent contractor of medical services in such capacity, provided such wrongful act is not committed by or on behalf of a managed care organization.

Medical services mean the furnishing of medicine, pharmaceutical-related, health-related or medical-related services, care or treatment to a natural person.

IV. Section IV, Coverage Part Exclusions of the Directors and Officers and Entity Liability Coverage Part is amended as follows:

A. Exclusion C(iv) is deleted and replaced with the following:

- (iv) based upon or arising from bodily injury; provided this exclusion (iv) will not apply to any:
 - (a) claim for non-indemnifiable loss;
 - (b) securityholder claim;
 - (c) actual or alleged emotional distress, mental anguish or humiliation made in connection with any employment related claim (other than an abuse or molestation claim) against an insured person;
 - (d) defense costs incurred by an executive in the defense of a claim for any actual or alleged violation of a corporate manslaughter statute by such executive

B. Exclusion D is amended by adding the following:



brought by, or on behalf of, any insured in any capacity against any insured, or an outside entity against any insured.

C. The following exclusions are added:

- We will not cover loss in connection with any medical review and provider selection process claim.
- We will not cover loss in connection with any claim based upon or arising from any:
 - (a) managed care activity;
 - (b) insurance company operations;
 - (c) billing and collection services, provided this exclusion (c) will not apply to any regulatory claim;
 - (d) cyber event, provided this exclusion (d) will not apply to any claim for non-indemnifiable loss; or
 - (e) abuse or molestation (this exclusion (e) will apply regardless of the legal theory or basis upon which an insured is alleged to be liable, including but not limited to assertions of improper or negligent employment, continued employment, investigation, failure to investigate, supervision, or failure to supervise).

V. Section V, Specific Limit of Liability, Sublimits and Retentions of the Directors and Officers and Entity Liability Coverage Part is amended by adding the following:

- The most we will pay for all health care fines, penalties and taxes, including defense costs, in connection with all claims for IRC Fines is \$100,000, such sublimited coverage will be part of, and not in addition to, the Aggregate Limit of Liability set forth in Item 2 of this Coverage Part.
- The most we will pay for all health care fines, penalties and taxes, including defense costs, in connection with all claims for excess benefit transaction taxes is \$100,000, such sublimited coverage will be part of, and not in addition to, the Aggregate Limit of Liability set forth in Item 2 of this Coverage Part.
- The most we will pay for all health care fines, penalties and taxes, including defense costs, in connection with all claims for EMTALA Fines is \$100,000, such sublimited coverage will be part of, and not in addition to, the Aggregate Limit of Liability set forth in Item 2 of this Coverage Part.
- The most we will pay for all health care fines, penalties and taxes, including defense costs, in connection with all claims for HIPAA Fines is \$25,000, such sublimited coverage will be part of, and not in addition to, the Aggregate Limit of Liability set forth in Item 2 of this Coverage Part.
- The most we will pay for all defense costs arising from all regulatory claims is \$100,000, such sublimited coverage will be part of, and not in addition to, the Aggregate Limit of Liability set forth in Item 2 of this Coverage Part.
- A separate Retention of \$25,000 will apply to each regulatory claim.
- A separate coinsurance percentage of 20 percent will apply to all defense costs for each regulatory claim. The coinsurance percentage will apply in excess of any Retention and will be uninsured and your responsibility to pay. Our liability will apply only to the remaining percent of all such defense costs.

VI. Section IX, Defense of Claims of the Directors and Officers and Entity Liability Coverage Part is amended to include the following:

With respect to any regulatory claim you will have the duty to defend.



VII. Section IV, Coverage Part Exclusions of the Employment Practices and Third Party Liability Coverage Part is amended as follows:

A. Exclusion B(ii) *bodily injury* is deleted.

B. The following exclusions are added:

- We will not cover *loss* in connection with any *claim* based upon or arising from *bodily injury*, provided this exclusion will not apply to any actual or alleged emotional distress, mental anguish or humiliation when made in connection with any *claim* brought by an *employee*.
- We will not cover *loss* in connection with any *medical review and provider selection process claim*.
- We will not cover *loss* in connection with any *claim* based upon or arising from any:
 - (a) *managed care activity*;
 - (b) *insurance company operations*;
 - (c) *billing and collection services*; or
 - (d) *abuse or molestation* (this exclusion (d) will apply regardless of the legal theory or basis upon which an *insured* is alleged to be liable, including but not limited to assertions of improper or negligent employment, continued employment, investigation, failure to investigate, supervision, or failure to supervise).

VIII. The Other Insurance Sections of both the Directors and Officers and Entity Liability Coverage Part and the Employment Practices and Third Party Liability Coverage Part are amended to include the following:

In addition to the above, this Coverage Part will be excess of and will not contribute with any valid and collectible managed care errors and omissions insurance policy, medical professional liability or professional liability insurance policy.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



IMPORTANT INFORMATION

NOTICE - OFFER OF TERRORISM COVERAGE;

DISCLOSURE OF PREMIUM

THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

As used herein, 1) "we" means the insurer listed on the Declarations or the Certificate of Insurance, as applicable; and 2) "you" means the first person or entity named on the Declarations or the Certificate of Insurance, as applicable. You are hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), you have a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert you to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 re-authorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be "a certified act of terrorism."

In accordance with the Act, we are required to offer you the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. Beginning in 2020, the federal share equals 80% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Further, this coverage is subject to a limit on our liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, we offered you coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that you have chosen to accept our offer of coverage for certified



acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage, if any, is shown separately on the Declarations or the Certificate of Insurance, as applicable.



CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
ENDORSEMENT

SCHEDULE

Directors and Officers and Entity Liability

Solely with respect to any Coverage Part set forth in the Schedule, it is understood and agreed as follows:

Whenever used in this endorsement, 1) "we" means the insurer listed on the Declarations or the Certificate of Insurance, as applicable; and 2) "you" means the first person or entity named on the Declarations or the Certificate of Insurance, as applicable.

A. Cap on Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to the Terrorism Risk Insurance Act, as extended and reauthorized (the "Act"). The criteria contained in the Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. 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.

If aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



CONDITIONAL RENEWAL ENDORSEMENT – OKLAHOMA

Wherever used in this endorsement: 1) Insurer means “we”, “us”, “our” or the “Company” as those terms are defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) “Insured(s)” means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provision(s) in the Epack 3 policy are amended to add the following:

CONDITIONAL RENEWAL

- I. The Insurer shall give to the Named Insured at the last address known to the Insurer, written notice of premium increase, change in deductible, reduction in limits or coverage at least forty-five (45) days prior to the expiration date of the policy. If the Insurer fails to provide such notice, the premium, deductible, limits and coverage provided to the Named Insured prior to the change shall remain in effect until notice is given or until the effective date of replacement coverage obtained by the Named Insured, whichever first occurs. If notice is given by mail, said notice shall be deemed to have been given on the day said notice is mailed. If the Named Insured elects not to renew, any earned premium for the period of extension of the terminated policy shall be calculated pro rata at the lower of the current or previous year's rate. If the Named Insured accepts the renewal, the premium increase, if any, and other changes shall be effective the day following the prior policy's expiration or anniversary date.
- II. Proof of mailing of notice of cancellation, or of nonrenewal or of premium or coverage changes, to the Named Insured at the address shown in the policy, shall be sufficient proof of notice.
- III. This subsection shall not apply to:
 - A. changes in a rate or plan filed with or approved by the Insurance Commissioner or filed pursuant to the Property and Casualty Competitive Loss Rating Act and applicable to an entire class of business; or
 - B. changes based upon the altered nature or extent of the risk insured; or
 - C. changes in policy forms with or approved by the Insurance Commissioner and applicable to an entire class of business.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.