



**EVANSTON INSURANCE COMPANY**  
**CAREERGUARD®**

**FEDERAL EMPLOYEE PROFESSIONAL LIABILITY INSURANCE**  
**(CLAIMS MADE & REPORTED POLICY)**

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**DECLARATIONS**

<b>Producer:</b> Mass Benefits Consultants		<b>Policy Number:</b> FEP2000-10	
<b>Date Issued:</b> 1/1/10		<b>Renewal or Replacement of :</b> FEP2000-09	
<b>ITEM 1.</b> Master Policy Holder Mailing Address	Association of Federal Employees  c/o Curtin Law Roberson Dunigan & Salans 1900 M Street NW Suite 601 Washington, DC 20036		
<b>ITEM 2.</b> Master Policy Period	From: 1/1/10 To: 1/1/11 12:01 A.M. Standard Time at the Master Policy Holder's mailing address as shown above		
<b>ITEM 3.</b>	<p><b>LIMITS OF INSURANCE</b></p> <p>(a) Civil Claims (Coverage A)      <b>\$1,000,000</b> (Aggregate, per Insured)</p> <p>(b) Administrative Claims      <b>\$100,000</b> (Aggregate, per Insured) (Coverage B)</p> <p>(c) Monitoring Claims      <b>\$100,000</b> (Aggregate, per Insured) (Coverage C)</p> <p>(d) Death Benefit Claims      <b>\$5,000</b> (per Insured) (Coverage D)</p> <p><b>IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. FOR EACH INSURED, THIS POLICY CONSISTS OF THE COVERAGE PARTS SELECTED AND SHOWN ON YOUR INDIVIDUAL MEMBER CERTIFICATE.</b></p>		
<b>ITEM 4.</b>	<b>Premium (per Insured)</b> \$266	<b>Minimum Earned Premium</b> (equivalent to 100% of the Premium) \$266	
THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.			

Date of Issue: 1/1/10

Countersigned by: \_\_\_\_\_

Authorized Representative

# CAREERGUARD®

## FEDERAL EMPLOYEE PROFESSIONAL LIABILITY INSURANCE POLICY

### (CLAIMS MADE & REPORTED POLICY)

## INTRODUCTION

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words we, us, our, and **Company**, refer to the **Company** stated in the Declarations providing this insurance.

Other words and phrases that appear in **bold** have special meaning. Refer to Section VI, Definitions.

In consideration of the payment of the premium, and in reliance upon statements made in the application and the material incorporated therein, and subject to the limits of insurance set forth in the Declarations, and subject to all of the provisions, terms, conditions and exclusions of this policy, the **Company** and the **Insured** agree as follows:

## SECTION I. INSURING AGREEMENT

### Coverage A – Civil Claim Coverage

The **Company** will pay, on behalf of each and every **Insured**, **Damages** that:

1. are not paid or indemnified by the Department of Justice or other source;
2. the **Insured** becomes legally obligated to pay;
3. arise directly from a **Civil Claim** first made against such **Insured** during the **Insured's Policy Period** or the **Discovery Period** (if applicable);
4. are reported to the **Company** pursuant to the terms of this policy; and
5. occurs as a result of the **Insured** being engaged in activities that are within such **Insured's** course and scope of employment.

However, the amount the **Company** will pay in **Damages** is limited as described in Section III, Limit of Insurance.

### Coverage B – Administrative Claim Coverage

The **Company** will pay, on behalf of each and every **Insured**, **Damages** that:

1. are not paid or indemnified by the Department of Justice or other source;
2. arise directly from an **Administrative Claim** first made against such **Insured** during the **Insured's Policy Period** or the **Discovery Period** (if applicable);
3. are reported to the **Company** pursuant to the terms of this policy; and
4. occurs as a result of the **Insured** being engaged in activities that are within such **Insured's** course and scope of employment.

However, the amount the **Company** will pay in **Damages** is limited as described in Section III, Limit of Insurance.

### Coverage C – Monitoring Claim Coverage

At the written request of the **Insured**, the **Company** will, on behalf of each and every **Insured**, provide **Monitoring Counsel** to such **Insured** and pay the **Defense Costs** incurred by such **Monitoring Counsel**, but:

1. only with respect to a **Civil Claim** that:

- (a) is first made against such **Insured** during the **Insured's Policy Period** or the **Discovery Period** (if applicable); and
  - (b) is reported to the **Company** pursuant to the terms of this policy.
2. only if the Department of Justice or other source are providing such **Insured** with a defense for such **Civil Claim**.
  3. only if such **Civil Claim** occurs as a result of the **Insured** being engaged in activities that are within such **Insured's** course and scope of employment.

However, the amount the **Company** will pay in **Defense Costs** is limited as described in Section III, Limit of Insurance.

#### **Coverage D - Death Benefit Claim Coverage**

The **Company** will pay the **Death Benefit Claim** Limit of Insurance to the **Insured's Beneficiary** in the event that such **Insured** dies; provided, however, that such death:

1. is caused by a sudden accident that occurs during the **Insured's Policy Period**;
2. occurs as a result of the **Insured** being engaged in activities that are within such **Insured's** course and scope of employment;
3. occurs during the **Insured's Policy Period** or within 52 weeks after the sudden accident referred to in paragraph (1) above; and
4. is reported during the **Insured's Policy Period** or the **Discovery Period** (if applicable).

## **SECTION II. DEFENSE, SETTLEMENT & SUPPLEMENTARY PAYMENTS**

- A.** The **Company** has the right and duty to defend any **Claim** seeking **Damages** insured under this policy, even if any of the allegations in such **Claim** are groundless, false or fraudulent. However, we will have no duty to defend the **Insured** against any **Claim** seeking **Damages** to which this insurance does not apply. We may, at our discretion, investigate any incident and settle any **Claim** that may result. But:
1. The amount we will pay for **Damages** is limited as described in a Section III, Limits of Insurance;
  2. Our duty to defend is subject to Paragraph (I) of Section VIII, Other Insurance; and
  3. Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payments of **Damages**.
- B.** With respect to any **Civil Claim** or **Administrative Claim** the **Company** investigates, defends, or settles, we will pay:
1. **Defense Costs**.
  2. The cost of an attachment or a supersedeas bond, but only for bond amounts within the applicable Limit of Insurance. The **Company**, however, does not have to furnish these bonds.
  3. All court costs taxed against the **Insured** in a **Claim**.
  4. All actual loss of wages (but not loss of other income) incurred by the **Insured**, up to a maximum of \$50 a day, to attend a hearing or trial, but only if: (i) such attendance is requested by the **Company**; and (ii) such wages are not otherwise indemnified by the Department of Justice or other source.
  5. **First Aid** expense.

With regard to Coverage A, none of these payments will reduce the applicable Limits of Insurance.

With regard to Coverage B, none of these payments, other than **Defense Costs**, will reduce the applicable Limits of Insurance. **Defense Costs**, however, are part of, and thereby reduce the applicable Limits of Insurance.

This Section does not apply to Coverage C.

## **SECTION III. LIMITS OF INSURANCE**

- A.** The Limit of Insurance stated in Item 3(a) of the Declarations is the limit of the **Company's** liability under Coverage A for all **Damages** arising out of all **Civil Claims** first made against any one **Insured** during the **Insured's Policy Period** or the **Discovery Period** (if applicable).

- B. The Limit of Insurance stated in Item 3(b) of the Declarations is the limit of the **Company's** liability under Coverage B for all **Damages** arising out of all **Administrative Claims** first made against any one **Insured** during the **Insured's Policy Period** or the **Discovery Period** (if applicable).
- C. The Limit of Insurance stated in Item 3(c) of the Declarations is the limit of the **Company's** liability under Coverage C for all **Defense Costs** arising out of a **Civil Claim** or **Administrative Claim** first made against an **Insured** during the **Insured's Policy Period** or the **Discovery Period** (if applicable) and reported to the **Company** pursuant to the terms of this policy for an actual or alleged **Wrongful Act** and for which the Department of Justice or other source are providing such **Insured** with a defense for such **Civil Claim** or **Administrative Claim**.
- D. The Limit of Insurance stated in Item 3(d) of the Declarations is the limit of the **Company's** liability under Coverage D with respect to any one **Insured** during the **Insured's Policy Period** or the **Discovery Period** (if applicable).
- E. With regard to Coverages A, B, C, and D the Limit of Insurance for the **Discovery Period** shall be part of, and not in addition to, the Limit of Insurance for the **Insured's Policy Period**. Further, any **Claim** which is made subsequent to the **Insured's Policy Period** or **Discovery Period** (if applicable) , pursuant to Paragraph (1) (2) or (3) of Item G, Notice/Claim Reporting Provisions, of Section VIII, Conditions, is considered made during the **Insured's Policy Period** or **Discovery Period** and shall be part of, and not in addition to, the Limit of Insurance for the **Insured's Policy Period**.

## SECTION IV. COVERAGE TERRITORY

This insurance applies to any **Wrongful Act** that occurs anywhere in the world. However, this policy only applies to any **Civil Claim** that is made in the United States of America (including its territories and possessions).

## SECTION V. EXCLUSIONS

The **Company** shall not be liable to make any payment for **Damage** in connection with any **Civil Claim** or **Administrative Claim** made against an **Insured**:

### A. Aircraft, Automobile Or Watercraft

alleging, arising out of, based upon or attributable to the ownership, maintenance, use or entrustment to others of any aircraft, **Automobile** watercraft owned or operated by or rented or loaned to any **Insured**. Use includes operation and **Loading Or Unloading**.

This exclusion applies even if the claims against any **Insured** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Insured**, if the **Wrongful Act** which caused the **Damage** involved the ownership, maintenance, use or entrustment to others of any aircraft, **Automobile** or watercraft that is owned or operated by or rented or loaned to any **Insured**.

### B. Asbestos

alleging, arising out of, based upon or attributable to **Asbestos**.

### C. Collective Bargaining/ERISA

alleging, arising out of, based upon or attributable to any responsibilities, obligations, or duties imposed against any **Insured** by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, and the Occupational Safety and Health Act, or any rules or regulations of the foregoing promulgated there under, and amendments thereto or any similar provisions of any federal, state, local or foreign statutory law or common law.

#### **D. Contractual Liability**

alleging, arising out of, based upon or attributable to any actual or alleged contractual liability of the **Insured** under any express contract or agreement; provided, however, that this exclusion shall not apply to the extent any liability does not arise under such express contract or agreement.

#### **E. Fraudulent Act**

arising out of, based upon or attributable to:

1. any willful violation of a penal statute or ordinance;
2. any criminal or fraudulent act; or
3. gaining of any profit, remuneration or advantage to which such **Insured** was not legally entitled,

however, we will defend any **Administrative Claim** or **Civil Claim** alleging any of the foregoing conduct until there is a final adjudication, adverse admission or finding of fact against such **Insured** as to such conduct.

The **Company** shall not cover any **Civil Claim** if such **Insured** pleads *nolo contendere* or no contest to a criminal proceeding against such **Insured** arising out of the same, or essentially the same, material facts as such **Civil Claim**.

No fact pertaining to or knowledge possessed by any **Insured** shall be imputed to any other **Insured** for the purpose of applying this exclusion.

#### **F. Medical Services**

alleging, arising out of, based upon or attributable to providing of healthcare, medical care or treatment to any individual, including but not limited to any of the following: medical, surgical, psychiatric, mental health, chiropractic, osteopathic, nursing, or other professional healthcare, including the furnishing or dispensing of medications, drugs, blood, or blood products; medical, surgical, dental or psychiatric supplies or equipment; or the administration or management of healthcare or any healthcare plan.

#### **G. Pending or Prior Litigation**

alleging, arising out of, based upon or attributable to any pending or prior: (1) litigation; or (2) **EEOC** (or similar state, local or foreign agency) proceeding or investigation, of which an **Insured** had notice, prior to the inception date of this policy, or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation of **EEOC** (or similar state, local or foreign agency) proceeding or investigation.

#### **H. Pollution**

alleging, arising out of, based upon or attributable to **Pollutants**.

#### **I. Prior Reported Claim**

alleging, arising out of, based upon or attributable to the same, or essentially the same, facts or wrongful acts that are alleged or contained in any claim which has been reported, or in any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time.

#### **J. Property Damage**

for property damage to property:

1. owned, occupied by, or rented to the **Insured** or the United States Government;
2. used by the **Insured**; or
3. in the care, custody, or control of the **Insured** or to which the **Insured** is, for any purpose, exercising physical control.

## K. Workers Compensation

alleging, arising out of, based upon or attributable to any responsibilities, obligations, or duties imposed against any party by any workers' compensation, unemployment compensation, disability benefits law, or other similar statutory law or common law.

## SECTION VI. DEFINITIONS

- A. **Administrative Claim** means a **Disciplinary Proceeding**, or a **Judicial Sanction**, or a **Criminal Proceeding** against the **Insured** and which is commenced by:
1. service of a complaint or similar pleading;
  2. return of an indictment (in the case of a criminal proceeding); or
  3. receipt or filing of an oral or written notice of charges or allegations of misconduct.

The term **Administrative Claim** shall include a disciplinary or an Equal Employment Opportunity Commission ("EEOC") (or similar state, local or foreign agency) proceeding or investigation against the **Insured** and commenced by the filing of an oral or written notice of charges, service of a complaint or similar document of which notice has been given to the **Insured**.

However, under no circumstances, shall the term **Administrative Claim** include any labor or grievance proceeding brought by a union.

- B. **Asbestos** means asbestos products, asbestos fibers, asbestos dust, asbestiform talc and any material and/or substance containing asbestos, asbestos fibers, asbestos dust and/or asbestiform talc in any form.

- C. **Automobile** means:

1. a land motor vehicle, trailer, or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or
2. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

Self-propelled vehicles with the following types of permanently attached equipment shall also be considered **Automobiles**:

1. snow removal;
2. road maintenance (other than construction or resurfacing equipment);
3. street cleaning; and
4. cherry picker and other similar devices mounted on an **Automobile** or truck chassis and used to raise or lower workers.

- D. **Beneficiary** means the person named as the beneficiary on the respective **Insured's** application for coverage for this policy.

- E. **Claim** means:

1. an **Administrative Claim**;
2. a **Civil Claim**; and
3. a **Death Benefit Claim**.

- F. **Civil Claim** means:

1. a written demand against the **Insured** for monetary or non-monetary relief; or
2. a civil or arbitration proceeding against the **Insured** for monetary or non-monetary relief which is commenced by service of a complaint or similar pleading.

However, under no circumstances, shall the term **Civil Claim** include any labor or grievance proceeding brought by a union.

- G. **Criminal Proceeding** means any proceedings, including investigations, before any entity, or entities, established by constitutional provision, statute, regulation or court rules, to investigate, review or prosecute charges of criminal misconduct.

- H. **Damages** means:

1. with regard to **Administrative Claims, Defense Costs**; and

2. with regard to **Civil Claims**, damages, judgments (including pre/post-judgment on a covered judgment), settlements and **Defense Costs**; however, **Damages** shall not include: (1) civil or criminal fines or penalties imposed by law; (2) punitive or exemplary damages; (3) the multiplied portion of multiplied damages; (4) taxes; (5) any amount for which an **Insured** is not financially liable or which is not without legal recourse to an **Insured**; or (6) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed.
- I. **Death Benefit Claim** means a written demand for monetary relief made by the **Insured's Beneficiary**.
- J. **Defense Costs** means reasonable and necessary fees, costs and expenses consented to by the **Company** (other than the cost of an attachment or supersedeas bond) resulting solely from the investigation, adjustment, defense and appeal of an **Administrative Claim, Civil Claim, or Monitoring Claim** against an **Insured**, but excluding salaries and/or benefits of any **Insured**.
- K. **Disciplinary Proceeding** means any proceedings, including investigations, before any entity, or entities, established by constitutional provision, statute, regulation, or court rules, to investigate, review or impose sanctions for charges of misconduct. **Disciplinary Proceedings** includes **Security Clearance Proceedings**. **Disciplinary Proceedings** does not include:
1. **Performance Proceedings**, disciplinary, or administrative actions for alleged failure to perform or for performance reasons or deficiencies;
  2. a **Physical or Medical Qualification Determination**;
  3. a **Suitability Determination**;
  4. any court or any **EEOC** proceeding commenced by, or on behalf of, an **Insured**; and/or
  5. any appeal after a final decision by the Merit Systems Protection Board (MSPB).
- L. **EEOC** means the United States Equal Employment Opportunity Commission.
- M. **First Aid** means immediate and temporary treatment of a sudden injury or illness rendered before **Professional Medical Care** is available.
- N. **H.R. 218 Wrongful Act** means any act, error or omission directly related to the carrying of a concealed firearm across state lines that is committed by an **Insured** who, at the time of the subject act, error or omission:
1. was a **Qualified Law Enforcement Officer** and was acting in his/her capacity as such; and
  2. was entitled to the protections within the Law Enforcement Officers Safety Act, 18 U.S.C. § 926
- O. **Insured** means:
1. with regard to Coverage A, Coverage B, and Coverage C, an individual who, on the date that the actual or alleged **Wrongful Act**, which gives rise to **Claim** to which this insurance applies, occurs:
    - (a) was a full-time, or part-time, non-military employee of the United States Federal Government; and
    - (b) has been issued a **Member Certificate** by the **Company** confirming that he /she have been added as an **Insured** onto this policy.
  2. with regard to Coverage D, an individual who, on the date that the sudden accident, which gives rise to **Claim** to which this insurance applies, occurs:
    - (a) was a full-time or part-time employee of the United States Federal Government; and
    - (b) has been issued a **Member Certificate** by the **Company** confirming that he /she have been added as an **Insured** onto this policy.
- P. **Judicial Sanction** means any monetary or non-monetary penalty imposed by any adjudicatory body as a result of any act, error or omission in professional services.
- Q. **Loading Or Unloading** means the handling of property:
1. after it is moved from the place where it is accepted for movement into or onto an aircraft, **Automobile** or watercraft;
  2. while it is in or on an aircraft, **Automobile** or watercraft;
  3. while it is being moved from an aircraft, **Automobile** or watercraft to the place where it is finally delivered;
- but **Loading Or Unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to an **Automobile**.
- R. **Master Policy Holder** means the entity designated as such in Item 1 of the Declarations.

- S. Master Policy Period** means the period of time from the inception date shown in Item 2 of the Declarations to the earlier of the expiration date shown in Item 2 of the Declarations or the effective date of cancellation of the policy.
- T. Member Certificate** means a certificate of insurance issued to an **Insured** by the **Company** or the **Company's** agent granting coverage under this policy.
- U. Monitoring Counsel** means an attorney selected by the **Company** to monitor the defense being provided to the **Insured** by the Department of Justice or other source.
- V. Insured's Policy Period** means the period of time from the inception date shown in the Insured's **Member Certificate** to the earlier of the expiration date shown in Item 2 of the Declarations or the effective date of cancellation of the policy.
- W. Performance Proceedings** means an investigation, demotion, removal, determination, appraisal, or process by which an **Insured** is evaluated, measured, rated, or disciplined either individually or as part of a group, as part of the organizational effectiveness in the accomplishment of agency mission and goals, as specified under any provision of federal law, rule or regulation.
- X. Physical or Medical Qualification Determination** means an investigation and/or determination based wholly or in part on the review of medical documentation and the results of medical examinations and evaluations conducted to determine physical or mental fitness for a federal position, as specified under any provision of federal law, rule or regulation.
- Y. Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- Z. Professional Medical Care** means a person(s) engaged in the livelihood of exercising skill, judgment, or providing a service related to:
1. the preservation or improvement of the health of an individual; or
  2. the treatment or care of individuals who are injured, sick, disabled, or infirm.
- AA. Qualified Law Enforcement Officer** means an employee of a governmental agency who:
1. is authorized by law to engage in or supervise the prevention, detection, investigation, or prosecution of, or the incarceration of any person for, any violation of law, and has statutory powers to arrest;
  2. is authorized by the agency to carry a firearm;
  3. is not the subject of any disciplinary action by the agency;
  4. meets standards, if any, established by the agency which requires the employee to regularly qualify in the use of a firearm;
  5. is not under the influence of alcohol or another intoxicating or hallucinatory drug or substance; and
  6. is not prohibited by Federal law from receiving a firearm.
- AB. Security Clearance Proceedings** means an investigation, determination, appraisal or process involving an insured's ability to achieve required governmental approval and /or access to classified information, including but not limited to Executive Order 12968 of August 2, 1995 and its successors.
- AC. Suitability Proceedings** means an investigation, determination, appraisal or process involving a determination of suitability for employment, as specified under any provision of federal law, rule or regulation.
- AD. Wrongful Act** means:
1. any act, error or omission committed by an **Insured** while such **Insured** is acting in his/her capacity as an employee of a federal agency;
  2. any **H.R. 218 Wrongful Act**.

## SECTION VIII. CONDITIONS

### A. Action Against the Company

No action will lie against the **Company** with respect to any **Claim** unless, as a condition precedent thereto, the **Insured** will have fully complied with all the terms of this policy, nor until the amount of the **Insured's** obligation to pay an amount of **Damages**, will have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the **Company**. Any person or organization or the legal representative thereof who has secured such judgment or written agreement will thereafter be entitled to recover under this policy to the extent of insurance afforded by this policy. Nothing contained in this policy will give any person or organization any right to join the **Company** as co-defendant in any action against the **Insured** to determine the **Insured's** liability.

### B. Bankruptcy and Insolvency

Bankruptcy or insolvency of the **Insured** will not relieve the **Company** of its obligations under this policy. Nor will it increase or change the **Company's** obligations under this policy.

### C. Cancellation

1. This policy may be canceled by the **Master Policy Holder** by surrendering the policy to the **Company** or any of its authorized agents or by mailing to the **Company** written notice stating when thereafter the cancellation will be effective.
2. The **Company** may cancel the policy, by mailing to the **Master Policy Holder** at the address shown in this policy written notice stating when not less than sixty (60) days thereafter-such cancellation will be effective. In the event the **Insured** fails to discharge when due any of its obligations in connection with the payment of premium for the policy or any installment thereof, whether payable directly to the **Company** or its agent or indirectly under a premium finance plan or extension of credit, the **Member Certificate** may be canceled by the **Company** by mailing to the respective **Insured** at the address on file with the **Company**, written notice stating when not less than ten (10) days thereafter such cancellation will be effective.
3. The **Company** may cancel an **Insured's Member Certificate** by mailing to the **Insured** at the address on file with the **Company's** agent written notice stating when not less than sixty (60) days thereafter-such cancellation will be effective, unless a longer notice period is required by law.
4. The mailing of notice as aforesaid will be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice will become the end of the **Insured's Policy Period**. Delivery of such written notice either by the **Insured** or by the **Company** will be equivalent to mailing.
5. If the **Insured** cancels, the earned premium will be one hundred percent (100%) of the premium paid.
6. If the **Company** cancels, for any reason other than non-payment of premium, the earned premium will be computed prorata. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
7. If the **Company** cancels for non-payment of premium, the earned premium will be one hundred percent (100%) of the premium paid.

### D. Changes

This policy, including the Declarations and any schedules and endorsements attached thereto, contains all agreements between the **Insured** and the **Company** concerning this insurance. This policy's terms, conditions and exclusions can be amended or waived only by an endorsement issued by the **Company** and made a part of this policy.

### E. Discovery Period

If an **Insured** cancels or an **Insured** or the **Company** refuses to renew this policy, the **Insured** will have the right to a period of three years following the effective date of such cancellation or non-renewal (herein referred to as the **Discovery Period**)

in which to give the **Company** written notice of **Claims** first made against an **Insured** during such applicable **Discovery Period** for any **Wrongful Act** occurring prior to the end of the **Insured's Policy Period** and otherwise covered by this policy.

However, under no circumstances will the **Discovery Period** apply if the policy is cancelled, for any reason, by the **Company**.

#### F. Economic or Trade Sanctions

If coverage for a **Claim** under this policy is in violation of any United States of America economic or trade sanction, including but not limited to, sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC), then coverage for that **Claim** will be deemed null and void.

#### G. Notice/Claim Reporting Provisions

**Notice hereunder will be given in writing to Mass Benefits Consultants, Inc. at the following address: Post Office Box 828, Annandale, Virginia, 22003. If mailed, the date of mailing will constitute the date that such notice was given and proof of mailing will be sufficient proof of notice. A Claim will be considered to have been first made against an Insured when written notice of such Claim is received by any Insured or the Company, whichever comes first.**

1. The **Insured** will, as a condition precedent to the obligations of the **Company** under this policy, give written notice to Mass Benefits Consultants, Inc. of any **Claim** made against an **Insured** as soon as practicable and anytime during the **Insured's Policy Period** or during the **Discovery Period** (if applicable).
2. If written notice of a **Claim** has been given to the **Company** pursuant to paragraph 1 above, then any **Claim** subsequently made against an **Insured** and reported to the **Company** alleging, arising out of, based upon or attributable to the facts alleged in the **Claim** for which such notice has been given, or alleging any **Wrongful Act** alleged in the **Claim** of which such notice has been given, shall be considered made at the time such notice was given.
3. If during the **Insured's Policy Period** or during the **Discovery Period** (if applicable) an **Insured** shall become aware of any circumstances which may reasonably be expected to give rise to a **Claim** hereunder, then written notice shall be given to the **Company** of the circumstances and the reasons for anticipating such a **Claim**, with full particulars as to dates, persons and entities involved. Any **Claim** which is subsequently made against an **Insured** and reported to the **Company** alleging, arising out of, based upon or attributable to such circumstances or alleging any **Wrongful Acts** which is the same or related to any **Wrongful Act** alleged or contained in such circumstances, shall be considered made at the time such notice of such circumstances was given.

#### H. Other Insurance

With regard to Coverages A and B, if any **Damages** under this policy is insured under any other valid and collectible insurance policy(ies), then this policy will cover such **Damages**, subject to its limitations, conditions, provisions and other terms, only to the extent that the amount of **Damages** are in excess of the applicable retention (or deductible) and limit of liability under such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Insurance provided by this policy.

With regard to Coverages C and D, the insurance provided by this policy shall be primary.

#### I. Premium

The **Master Policy Holder** is responsible for the payment of all premiums. All other **Insureds** are contingently liable for the payment of premium if the **Master Policy Holder** fails to do so. The premium for this policy is a flat premium. It is not subject to adjustment. However, and as stated in paragraph 4, **Cancellation**, under no circumstances shall any earned premium be less than one hundred percent (100%) of the premium paid.

**J. Titles or Captions of Policy Provisions**

The title or caption of the sections and paragraphs of this policy and any attached endorsements are solely for convenience or reference. They do not affect the provisions to which they relate.

**K. Transfer of Duties**

No duties of any **Insured** under this policy may be transferred without our written consent, except in the case of death of an individual **Insured**.

If an individual **Insured** dies, such **Insured's** duties will be transferred to such **Insured's** legal representative.

**L. Transfer of Rights**

No rights of any **Insured** under this policy may be transferred without our written consent, except in the case of death of an individual **Insured**.

If an **Insured** dies, such **Insured's** rights will be transferred to his/her legal representative but only while acting within the scope of duties as such **Insured's** legal representative. Until such **Insured's** legal representative is appointed, anyone having proper temporary custody of such **Insured's** property will have such **Insured's** rights but only with respect to that property.

**M. Transfer of Rights of Recovery Against Others to Us**

In the event of any payment under this policy, the **Company** will be subrogated to the extent of such payment to all the **Insured's** rights of recovery, including but not limited to rights of recovery for indemnification by the Department of Justice, and such **Insured** will execute all papers required and will do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the **Company** effectively to bring suit or otherwise pursue subrogation rights in the name of the **Insured**; including but not limited to any action against the Department of Justice for failure to pay any indemnity due and owing to any **Insured** by the Department of Justice.

We will be accorded priority over the Insured as to any funds recovered.



# Evanston Insurance Company

**This Policy is not valid unless a Declarations Page and Coverage Form are attached.**

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless counter signed by our authorized representative.

A handwritten signature in cursive script that reads "Kathleen Anne Sturgeon".

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Secretary

A handwritten signature in cursive script, appearing to be "P. J. Sturgeon".

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President