

NOTICE

THIS INSURANCE IS WRITTEN ON A CLAIMS-MADE BASIS AND ONLY APPLIES TO THOSE CLAIMS BOTH FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY WHILE THIS POLICY IS IN FORCE. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AGAINST THE INSURED BEFORE THE BEGINNING OR AFTER THE END OF THE POLICY PERIOD. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THIS COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

I. INSURING AGREEMENT

A. Coverage

The **Company** will pay all amounts in excess of the deductible, and within the limit of liability that the **Insured** becomes legally obligated to pay as **damages** as a result of a **claim** that is both first made against the **Insured** and reported in writing to the **Company** during the **policy period** by reason of a negligent act or omission in the performance of **professional services** by the **Insured** or by any person for whom the **Insured** is legally liable, while acting on behalf of the **Named Insured** for clients of the **Named Insured**, provided that:

1. the **Insured** did not give notice to a prior insurer of such **claim** or a **related claim**;
2. the **Insured** did not give notice to a prior insurer of any such negligent act or omission or **related negligent act or omission**;
3. prior to the **Retroactive Date** shown on the Declarations, no **Insured** had a basis to believe that any such negligent act or omission, or **related negligent act or omission**, might reasonably be expected to be the basis of a **claim**;
4. such negligent act or omission happened on or subsequent to the **retroactive date** specified in the Declarations.

The **Company** shall also pay **claim expenses** in connection with such **claim**. **Claim expenses** are included within and reduce the limits of liability.

B. Defense

The **Company** shall have the right and duty to defend a **claim** even if any of the allegations of the **claim** are groundless, false or fraudulent. The **Company** shall have the right to appoint counsel and to make such investigation and defense of a **claim** as is deemed necessary by the **Company**. If a **claim** shall be subject to arbitration or mediation, the **Company** shall be entitled to exercise all of the **Insured's** rights in the choice of arbitrators or mediators and in the conduct of any arbitration or mediation proceeding.

C. Settlement

The **Company** shall not settle a **claim** without the express consent of the **Named Insured**. If the **Named Insured** refuses to consent to a settlement or compromise recommended by the **Company** and acceptable to the claimant, then the limit of liability shall be reduced to the amount for which the **claim** could have been settled plus **claims expenses** incurred up to the time the **Company** made its recommendation, which amount shall not exceed the remainder of the applicable limit of liability specified in Section II.A.

D. Exhaustion of limits

The **Company** is not obligated to investigate, defend, pay or settle, or continue to investigate, defend, pay or settle a **claim** after the applicable limit of liability has been exhausted by payment of **damages** or **claim expenses** or any combination thereof, or after the **Company** has deposited the remaining available limits of liability into a court of competent jurisdiction. In such case, the **Company** shall have the right to withdraw from the further investigation, defense, or settlement of such **claim** by tendering control of said investigation, defense or settlement of the **claim** to the **Insured**.

II. LIMITS OF LIABILITY

A. Limit of liability — each **claim**

Subject to paragraph B below, the **Company's** limit of liability for **damages** and **claim expenses** for each **claim** shall not exceed the amount stated in the Declarations.

B. Limit of liability — in the aggregate

The **Company's** limit of liability for **damages** and **claim expenses** for all **claims** shall not exceed the amount stated in the Declarations as the aggregate.

C. Deductible

The deductible amount stated in the Declarations is the total amount of the **Insured's** obligation for each **claim** and applies to the payment of **damages** and **claim expenses**. The deductible shall be paid by the **Named Insured**. The deductible applies separately to each **claim**. The limits of liability set forth in the Declarations are in addition to and in excess of the deductible.

D. Mediation Incentive

If mediation of a **claim** takes place either without institution of arbitration proceedings or service of suit or within 60 days of the institution of such proceedings or service of suit, and such **claim** is ultimately resolved for an amount acceptable to the **Insured** and the **Company** by such process of mediation, the deductible applying to the **claim** will be reduced by 50%. In no event shall the amount waived hereunder exceed \$25,000.

E. Multiple **Insureds**, **claims** and claimants

The limits of liability shown in the Declarations, and subject to the provisions of this Policy, are the amount the **Company** will pay as **damages** and **claim expenses** regardless of the number of **Insureds**, **claims** made or persons or entities making **claims**. If **related claims** are subsequently made against the **Insured** and reported to the **Company** under this Policy or any renewal of this Policy, all such **related claims** shall be considered a single **claim** first made and reported to the **Company** within the **policy period** in which the earliest of the **related claims** was first made and reported to the **Company**.

F. Supplementary payments

Although not **damages**, the **Company** will pay:

1. up to \$500.00 for loss of earnings to the **Insured** for each day or part of a day the **Insured** is in attendance, at the **Company's** request, at a trial, hearing or arbitration proceeding involving a **claim** against the **Insured**. In no event shall the amount payable hereunder exceed \$10,000.00 despite the number of **Insureds** hereunder, the number of days an **Insured** is in attendance, or the number of trials, hearings or arbitration proceedings that the **Insured** is required to attend.
2. up to \$5,000.00 to the **Insured** for attorneys' fees and other reasonable costs, expenses or fees resulting from the investigation or defense of a proceeding before a real estate licensing board incurred as the result of a notice of proceeding both first received by the **Insured** and reported to the **Company** during the **policy period**, arising out of a negligent act or omission in the rendering of **professional services** by the **Insured**. In no event shall the amount payable hereunder exceed \$5,000.00 despite the number of **Insureds** hereunder or the number of such proceedings.

Supplementary payments are not subject to the deductible and are in addition to the limits of liability.

III. DEFINITIONS

“**Bodily injury**” means injury to the body, sickness or disease sustained by any person, including death resulting from such injuries; or mental injury, mental anguish, mental tension, emotional distress, pain or suffering or shock sustained by any person whether or not resulting from injury to the body, sickness, disease or death of any person.

“**Claim**” means a demand received by the **Insured** for money or services arising out of a negligent act or omission in the rendering of or failure to render **professional services**. A demand shall include the service of suit or the institution of an arbitration proceeding against the **Insured**.

“**Claim expenses**” means:

- A. fees charged by attorneys designated by the **Company**;
- B. all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **claim** if incurred by the **Company**, or by the **Insured** with the **Company's** prior written consent, including, but not limited to, premiums for any appeal bond, attachment bond or similar bond but without any obligation on the **Company's** part to apply for or furnish any such bond.

Claim expenses shall not include fees, costs or expenses of the **Company's** employees or officers or independent claims adjusters. Nor shall **claim expenses** include salaries, loss of earnings or other remuneration by or to any **Insured**.

“**Company**” refers to the **Company** named in the Declarations.

“**Damages**” mean judgments, awards and settlements, provided any settlement is made with the **Company's** prior written consent. “**Damages**” do not include:

- A. the return or restitution of fees, commissions, expenses or costs;
- B. civil or criminal fines, sanctions, penalties or forfeitures, whether pursuant to law, statute, regulation or court rule;
- C. punitive or exemplary amounts;
- D. the multiplied portion of multiplied awards;
- E. injunctive or declaratory relief.

“**Dwelling residence**” means housing purchased and used by the **Insured** as a place for the **Insured** to live in either as a primary or secondary residence.

“**Guaranteed sale listing contract**” means a written agreement between the **Named Insured** and the seller of a property, in which the **Named Insured** agrees to purchase the property if it is not sold under the listing agreement in the time frame specified by the agreement.

“**Insured**” means the **Named Insured** and any of the persons or entities listed below but only while rendering **professional services** on behalf of the **Named Insured** for clients of the **Named Insured**:

- A. any **subsidiary** and any **newly acquired subsidiary**;
- B. any person who is or becomes a partner, officer, director or employee of the **Named Insured**, a **subsidiary** or **newly acquired subsidiary** during the **policy period**;
- C. any person previously affiliated with the **Named Insured**, a **subsidiary** or **newly acquired subsidiary** as a partner, officer, director or employee of such entity;

- D. any independent contractor, but only if, prior to the date a **claim** is made:
 - 1. the **Named Insured** had agreed to provide insurance for the independent contractor's **professional services**;
 - 2. a fee inured to the **Named Insured**;
- E. the **Insured's** estate, heirs, executors, administrators, assigns and legal representatives in the event of death, incapacity, insolvency or bankruptcy of the **Insured**, but only to the extent that the **Insured** would have been provided coverage under this Policy.

"Newly acquired subsidiary" means any corporation of which the **Named Insured** acquires, through acquisition, merger or formation, during the **policy period**, more than a 50% interest in such corporation, but only upon the conditions that:

- A. within 60 days of such acquisition, the **Company** shall have been provided with full particulars of such **newly acquired subsidiary**;
- B. the **Company**, after receipt of such notice has agreed in writing to insure such **newly acquired subsidiary**; and,
- C. the **Named Insured** has paid any additional premium and has agreed to any amendment of the provisions of this Policy.

On the date during the **policy period**, that the **Named Insured's** direct or indirect ownership interest in such corporation becomes less than 50% of the issued and outstanding voting stock, such corporation shall cease to be a **newly acquired subsidiary** under the terms of this Policy.

"Personal injury" is an injury, other than **bodily injury** arising out of one or more of the following offenses:

- A. false arrest, detention, or imprisonment;
- B. malicious prosecution;
- C. wrongful entry into, wrongful eviction from, or other invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
- D. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- E. oral or written publication of material that violates a person's right of privacy.

For the purposes of the coverage afforded by this Policy, **personal injury** is deemed to be included in the term negligent act or omission.

"Policy period" means the time from 12:01 A.M. on the inception date of this Policy to the earlier of 12:01 A.M. of the expiration, termination or cancellation date of this Policy.

"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.

"Professional services" are the following services performed by an **Insured** for others provided such **Insured**, if required, is appropriately licensed by the state in which such **Insured** is doing business:

- A. services as a real estate agent, real estate broker or real estate personal assistant;
- B. services as an escrow agent, title agent, leasing agent, mortgage banker, mortgage broker, real estate auctioneer and real estate appraiser;
- C. **property management services**;
- D. services as a real estate consultant or counselor or as an expert witness provided such services are limited to the areas specified in paragraphs A. through C. of this definition;
- E. services as a notary public or member of a formal real estate accreditation, standards review or similar real estate board or committee.

“Property damage” means injury to or destruction of any tangible property, including the resultant loss of use.

“Property management services” are the following services provided in connection with the management of commercial or residential property:

- A. development of management plans and budget;
- B. oversight of physical maintenance of property;
- C. solicitation, evaluation and securing of tenants and management of tenant relations, collection of rent and processing evictions;
- D. development, implementation and management of loss control and risk management plans for real property;
- E. solicitation and negotiation of contracts for sale and leasing of real property;
- F. development, implementation and management of contracts and subcontracts (excluding property and liability insurance contracts) necessary to the daily functioning of the property;
- G. personnel administration;
- H. record keeping.

Property management services does not include **renovation services** or analysis or evaluations of, or recommendations concerning environmental hazards or exposures.

“Renovation services” are the following services provided in connection with the renovation and reconstruction of commercial or residential property:

- A. management of facility renovation and reconstruction plans;
- B. development and management of renovation and reconstruction contracts and subcontracts;
- C. development of loss control and risk management plans in connection with the reconstruction or renovation.

“Retroactive date” if any, is indicated on the Declarations. This Policy excludes from coverage all **claims** by reason of negligent acts or omissions that happened before the **retroactive date**.

“Related claims” means all **claims** arising out of a single negligent act or omission or arising out of **related negligent acts or omissions** in the rendering of **professional services**.

“Related negligent acts or omissions” mean all negligent acts or omissions in the rendering of **professional services** that are temporally, logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.

“Subsidiary” means any corporation of which the **Named Insured** owns, either directly or indirectly, more than a 50% interest in such corporation and that is listed on the application for this Policy. On the date during the **policy period** that the **Named Insured’s** direct or indirect ownership interest in such corporation becomes less than 50% of the issued and outstanding voting stock, such corporation shall cease to be a **subsidiary** under the terms of this Policy. In such event, coverage will be provided under the Policy but only with respect to negligent acts or omissions committed prior to such date in accordance with all other terms and conditions of this Policy. No coverage will be afforded under the Policy with respect to **claims** made against an **Insured** based on any negligent act or omission committed or allegedly committed on or subsequent to the such date.

IV. EXCLUSIONS

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

- A. based on or arising out of **bodily injury**;
- B. based on or arising out of **property damage**;
- C. based on or arising out of any dishonest, fraudulent, criminal or malicious act or omission by the **Insured**;
- D. based on or arising out of:
 - 1. nuclear reaction, contamination or radiation, including but not limited to radon, regardless of cause;
 - 2. whether suddenly or over a long period of time the actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of **pollutants**; or any injury, damage, payments, costs or expense incurred as a result of any testing for, monitoring, removal, containment, treatment, detoxification, neutralization or cleanup of **pollutants**;
 - 3. lead, whether or not the lead was at any time: airborne as a particle; contained in or formed a part of a product, structure or other real or personal property; ingested or inhaled or transmitted in any fashion; or found in any form whatsoever;
 - 4. asbestos, whether or not the asbestos was at any time airborne as a fiber, particle or dust; contained in or formed a part of a product, structure or other real or personal property; carried on clothing; ingested or inhaled or transmitted in any fashion; or found in any form whatsoever.Notwithstanding anything to the contrary in paragraph D. above, it is agreed that the **Company** will provide a defense and pay **claim expenses** for **claims** based on or arising out of an **Insured's** failure to advise of the existence of **pollutants**, asbestos, lead or radon in connection with the sale of real property;
- E. based on or arising out of the sale of a business, except coverage will be provided for such **claim** only as it relates to the sale of real property;
- F. based on or arising out of:
 - 1. any conversion, commingling, defalcation, misappropriation or improper use of funds or other property;
 - 2. the gaining of any personal profit or advantage to which the **Insured** is not legally entitled;
 - 3. a. any inability or failure to pay, collect or safeguard funds held for others;
b. the disposition, management, or investment of any funds; or any advice or recommendation, direct or indirect, concerning the disposition, management or investment of any funds, except to the extent these **professional services** are performed by an escrow agent; or
 - 4. any advice or representation as to:
 - a. the present value of any property (except to the extent these **professional services** are performed by a real estate appraiser); or
 - b. the future value of any property;
- G. based on or arising out of discrimination, humiliation, harassment, or misconduct that includes but shall not be limited to **claims** based on an individual's race, creed, color, age, gender, national origin, religion, disability, marital status or sexual preference. However, nothing in this exclusion shall be deemed to exclude **claims** against an **Insured** based on or arising out of **property management services**;

- H. by or on behalf of:
1. any **Insured** under this Policy against any other **Insured** hereunder;
 2. any investor in any property, at any time, owned, managed or developed by any **Insured**;
- I. based on or arising out of any conflict of interest of an **Insured** in the performance of **professional services**;
- J. based on or arising out of the formation, syndication, operation or administration of any property syndication, real estate investment trust or any corporation, general or limited partnership or joint venture formed for the purpose of investing in, buying, selling, or maintaining real property including those syndications, trusts, real estate investment trusts, corporations, partnerships or joint ventures in which the **Insured** has, had or intended to have a participating interest directly or indirectly in the profits or losses thereof;
- K. based on or arising out of the purchase of property by, or the sale, leasing (other than in connection with **property management services**), or appraisal of property developed, constructed or owned by:
1. any **Insured** if at the time of the negligent act or omission giving rise to such **claim**, such **Insured** owned, was constructing or was developing such property;
 2. any entity which any **Insured** had, at the time of the negligent act or omission giving rise to the **claim** a financial interest or a contemplated financial interest;
 3. any entity which had at the time of the negligent act or omission giving rise to the **claim** a financial interest or a contemplated financial interest in the **Named Insured**; or
 4. any entity which at the time of the negligent act or omission giving rise to the **claim** was under the same financial control as the **Named Insured**.
- This exclusion shall not apply to any **claim** based on or arising out of:
- i. the sale of an **Insured's dwelling residence** provided that only those **Insureds** who were not the owners of such **dwelling residence** at the time of the sale will be provided coverage hereunder and provided further that the **dwelling residence** owner was not the selling, listing or closing agent;
 - ii. sale or leasing of real property in which the combined ownership interest of all **Insured's** hereunder was at the time of sale or lease less than 10%; or
 - iii. the sale of real property 100% owned by the **Named Insured** at the time of sale if all of the following conditions are met:
 - a. the property was acquired by the **Named Insured** under a written **guaranteed sale listing contract**; and
 - b. from acquisition to resale:
 - (i) the title to the property was held by the **Named Insured** for less than twelve months; and
 - (ii) the property was continually offered for sale by the **Named Insured**;
- L. based on or arising out of actual or alleged violation of:
1. the Employee Retirement Income Security Act of 1974;
 2. the Securities Act of 1933;
 3. the Securities Exchange Act of 1934; or
 4. any state Blue Sky or Securities law, or any rules, regulations or amendments issued in relation to such acts, or any similar state or federal statutes or regulations, including any **claim** based upon common law principles of liability if made in connection with an actual or alleged violation of any such statute or regulation;
- M. based on or arising out of the failure to purchase or maintain any property or casualty insurance, other than title insurance or bonds;

- N. based on or arising out of any anti-trust law violation or any agreement or conspiracy to restrain trade;
- O. based on or arising out of:
 1. the **Insured's** alleged liability assumed by the **Insured** under any contract, agreement, promise, warranty or guarantee; or
 2. liability of others assumed by the **Insured** under any oral or written contract or agreement, unless such liability would have attached to the **Insured** even in the absence of such agreements;
- P. based on or arising out of rendering of or failure to render an opinion on the financial condition of any individual or entity;
- Q. based on or arising out of:
 1. an appraisal of real property prepared on behalf of any real estate syndication, or any securities related activity, including but not limited to a sale, exchange, trade or development of such real property on behalf of others and which is required to be registered with the Securities and Exchange Commission or any state regulatory agency which regulates investment made as a public offering;
 2. any activity relating to a Right-of-Way Appraisal; Proposed Construction/Land Development appraisal or Vacant Land appraisal; however, this paragraph Q.2. does not apply to a Proposed Construction/Land Development appraisal or Vacant Land appraisal performed by a residential Real Estate Appraiser wherein the construction or development of land is solely intended for use as a private residential dwelling (one-to-four family home);
- R. based on or arising out of any defect in title or deed not disclosed in the public record or any opinion of title or deed;
- S. based on or arising out of any notarized certification or acknowledgment of a signature without the physical appearance before the **Insured** of the person who is, or claims to be, the person signing the instrument;
- T. based on or arising out of a cease and desist order, the insolvency, bankruptcy, licensing, liquidation or inability to pay of any insurer, trust, bank or other entity directly or indirectly in which any **Insured** has placed or obtained insurance coverage or placed the funds of a client;
- U. based on or arising out of:
 1. the **Named Insured's** failure to repurchase any loans; or
 2. any transaction involving a loan funded in whole or in part with any **Insured's** own funds.

V. CONDITIONS

- A. Territory
 This Policy applies to negligent acts or omissions which happen anywhere in the world provided that **claim** is made or suit is brought against the **Insured** in the United States of America, its territories or possessions, Puerto Rico or Canada.

B. Named Insured sole agent

The **Named Insured** shall be the sole agent of all **Insureds** hereunder for the purpose of effecting or accepting any notices hereunder, any amendments to or cancellation of this Policy, for the completing of any applications and the making of any statements, representations and warranties, for the payment of any premium and the receipt of any return premium that may become due under this Policy, for the payment of the deductible and the exercising or declining to exercise any right under this Policy.

C. Notice of claims and potential claims

1. The **Insured**, as a condition precedent to the **Company's** obligations under this Policy, shall promptly give written notice to the **Company** during the **policy period**:
 - a. of any **claim** made against the **Insured** during the **policy period**;
 - b. of the **Insured's** receipt, during the **policy period**, of any notice, advice or threat, whether written or verbal, that any person or organization intends to hold the **Insured** responsible for any alleged breach of duty.

The **Company** agrees that the **Insured** may have up to, but not to exceed, 60 days after the Policy expiration to report to us a **claim** made against the **Insured** during the **policy period** if the reporting of such **claim** is as soon as reasonably possible.

2. If during the **policy period**, the **Insured** becomes aware of any negligent act or omission which may reasonably be expected to be the basis of a **claim** against any **Insured**, and gives written notice to the **Company** with all available particulars, including but not limited to:
 - a. the specific negligent act or omission;
 - b. the dates and persons involved;
 - c. the identity of anticipated or possible claimants; and
 - d. the circumstances by which the **Insured** first became aware of the possible **claim**;then any such **claim** which is made against the **Insured** and reported to the **Company** shall be deemed to have been made at the time such written notice was given to the **Company**.

D. Assistance and Cooperation

1. The **Insured** shall cooperate with the **Company** and upon the **Company's** request, shall attend hearings, depositions and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses in the conduct of suits and proceedings in connection with a **claim**.
2. **Insured** shall assist in the enforcement of any right of contribution or indemnity against any person or organization who or which may be liable to any **Insured** in connection with a **claim**.
3. The **Insured** shall not, except at the **Insured's** own cost, voluntarily make any payment, assume or admit any liability or incur any expense without the **Company's written** consent.

E. Action Against the Company

1. No action shall lie against the **Company** unless, as a condition precedent thereto:
 - a. the **Insured** shall have fully complied with all the terms of this Policy; and,
 - b. until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the **Company**.
2. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. Nothing contained in this Policy shall give any person or organization any right to join the **Company** in any action against the **Insured** to determine the **Insured's** liability.

F. Changes

Notice to any of the **Company's** agents or knowledge possessed by any such agent or any other person shall not act as a waiver or change in any part of this Policy. It also will not prevent the **Company** from asserting any rights under the provisions of this Policy. None of the provisions of this Policy will be waived, changed or modified except by written endorsement issued to form a part of this Policy.

G. Assignment

No assignment of the **Insured's** interest under this Policy shall be valid, unless the **Company's** written consent is endorsed hereon.

H. Bankruptcy or insolvency

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the **Company** of any of the **Company's** obligations hereunder.

I. Acquisitions and Mergers

1. The **Named Insured** must provide prior notice to the **Company** of the following events:
 - a. acquisition of the **Named Insured** by another entity;
 - b. the merger of the **Named Insured** with another entity;
 - c. the acquisition of all or substantially all of the assets of the **Named Insured** by another entity.
2. Upon receipt of such notice, the **Company** may:
 - a. adjust the premium to reflect the added exposure; or
 - b. deem this Policy to have ceased with respect to **claims** made against the **Insured** based on any negligent act or omission committed on or subsequent to the time and date of said event. In such case, the **policy period** shall remain unaltered and coverage will continue but only with respect to negligent acts or omissions committed prior to the time and date of any such events in accordance with all other terms and conditions of this Policy.

J. Entire contract

By acceptance of this Policy the **Insured** agrees that:

1. all of the information and statements provided to the **Company** by the **Insured** are true, accurate and complete and shall be deemed to constitute material representations made by the **Insured**;
2. this Policy is issued in reliance upon the **Insured's** representations;
3. this Policy, endorsements thereto, together with the completed and signed application and any and all supplementary information and statements provided by the **Insured** to the **Company** (all of which are deemed to be incorporated herein) embody all of the agreements existing between the **Insured** and the **Company** and shall constitute the entire contract between the **Insured** and the **Company**; and,
4. the misrepresentation of any material matter by the **Insured** or the **Insured's** agent will render the Policy null and void and relieve the **Company** from all liability herein. This Policy is void in any case of fraud by the **Insured** relating to it. It is also void if the **Insured** intentionally conceals or misrepresents a material fact or circumstance concerning this Policy.

K. Other insurance

This policy shall be excess over any other valid and collectible insurance, self-insurance or indemnification agreement available to the **Insured**, whether such other insurance or indemnification agreement is stated to be primary, contributory, excess contingent, self-insured retention or otherwise.

L. Subrogation

In the event of any payment under this Policy, the **Company** shall be subrogated to all the **Insured's** rights of recovery against any person or organization, including any rights the **Insured** may have against any other of the **Insured** involved in dishonest, fraudulent, criminal or malicious conduct. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing to prejudice such rights. In the event of any recovery, the **Company** shall first be reimbursed for **damages** and **claim expenses** paid by the **Company**.

M. Cancellation and Nonrenewal

1. This Policy may be canceled by the **Named Insured** by returning it to the **Company**. The **Named Insured** may also cancel this Policy by written notice to the **Company** stating at what future date cancellation is to be effective.
2. The **Company** may cancel or non-renew this Policy by written notice to the **Named Insured** at the address last known to the **Company**. The **Company** will provide written notice at least 60 days before cancellation or non-renewal is to be effective. However, if the **Company** cancels this Policy because the **Insured** has failed to pay a premium when due or has failed to pay amounts in excess of the limit of the **Company's** liability or within the amount of the deductible, this Policy may be canceled by the **Company** by mailing to the **Named Insured** written notice stating when, not less than 10 days thereafter, such cancellation shall be effective. The time of surrender of the Policy or the effective date and hour of cancellation stated in the notice shall become the end of the **policy period**. Delivery of such written notice either by the **Named Insured** or by the **Company** shall be equivalent to mailing.
3. If the **Company** cancels this Policy, the earned premium shall be computed pro rata. If the **Named Insured** cancels this Policy, the **Company** shall retain the customary short rate proportion of the premium. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
4. The offering of terms and conditions different from the expiring terms and conditions shall not constitute a refusal to renew.

N. Notices

Any notices required to be given by the **Insured** shall be submitted in writing to the **Company** or the **Company's** authorized representative at the address specified in the Declarations page. If mailed, the date of mailing of such notice shall be deemed to be the date such notice was given and proof of mailing shall be sufficient proof of notice.

O. Innocent **Insureds**

Whenever coverage under this Policy would be excluded, suspended or lost because of: dishonest, fraudulent, criminal or malicious acts or omissions, the **Company** agrees that such insurance as would otherwise be afforded under this Policy, shall be applicable with respect to those **Insureds** who did not personally participate or personally acquiesce in or remain passive after having knowledge of such conduct. Each **Insured** must promptly comply with all provisions of this Policy upon learning of any concealment.

VI. EXTENDED REPORTING PERIODS

As used herein, "**extended reporting period**" means the period of time after the end of the **policy period** for reporting **claims** made against the **Insured** during the applicable **extended reporting period** by reason of a negligent act or omission, which occurred prior to the end of the **policy period** and is otherwise covered by this Policy.

A. Automatic **extended reporting period**

If this Policy is canceled or non-renewed by either the **Company** or by the **Named Insured**, the **Company** will provide to the **Named Insured** an automatic, non-cancelable **extended reporting period** starting at the termination of the **policy period** if the **Named Insured** has not obtained another policy of real estate agents professional liability insurance within sixty (60) days of the termination of this Policy. This automatic **extended reporting period** will terminate after sixty (60) days.

B. Optional **extended reporting period**

If this Policy is canceled or non-renewed by either the **Company** or by the **Named Insured**, then the **Named Insured** shall have the right to purchase an optional **extended reporting period**. Such right must be exercised by the **Named Insured** within sixty (60) days of the termination of the **policy period** by providing written notice to the **Company**;

The first sixty (60) days of the optional **extended reporting period**, if it is purchased, shall run concurrently with the automatic **extended reporting period**.

C. Limits of liability

The **Company's** limit of liability for all **claims** reported during the automatic and optional **extended reporting periods** shall be part of and not in addition to the limits of liability for the **policy period** as set forth in the Declarations and Section II, Limits of Liability of this Policy.

D. Elimination of right to any **extended reporting period**

There is no right to any **extended reporting period** if the **Company** shall cancel or refuse to renew this Policy due to:

1. non-payment of any amounts due under this Policy; or
2. non-compliance by the **Insured** with any of the terms and conditions of this Policy; or
3. any misrepresentation or omission in the application for this Policy.

E. **Extended reporting period** not a new policy

It is understood and agreed that the **extended reporting period** shall not be construed to be a new policy and any **claim** submitted during such period shall otherwise be governed by this Policy.

IN WITNESS WHEREOF, the **Company** has caused this Policy to be executed by the **Company's** Chairperson and Secretary, but this Policy shall not be binding upon the **Company** unless completed by the attachment of the Declarations and executed by the **Company's** duly authorized representative.

This policy shall not be valid unless countersigned on the Declarations by a duly authorized representative of this Company.



Chairman of the Board



Secretary