



**NOT-FOR-PROFIT ORGANIZATION/ASSOCIATION
PROFESSIONAL LIABILITY POLICY**

THIS IS A CLAIMS-MADE POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY "CLAIM" FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT, THE EXTENDED REPORTING PERIOD APPLIES. DEFENSE COSTS REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTION AMOUNTS. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the Insurer designated in the Declarations, a stock insurance corporation, hereafter called the "Insurer", including the statements made in the **Application**, and subject to the provisions of this Policy, the Insurer agrees that:

I. INSURING AGREEMENT

If during the **Policy Period** or the Extended Reporting Period any **Claim** is first made against any of the **Insureds**, the Insurer shall pay on their behalf **Loss** resulting from such **Claim**.

II. DEFENSE AND SETTLEMENT

- A. The Insurer has the right and duty to defend all **Claims**, even if the allegations are groundless, false or fraudulent, or alternatively the Insurer may, at its option, give its written consent to the defense of any such **Claim** by the **Insureds**. The Insurer's obligation to defend any **Claim** or pay any **Loss**, including **Defense Costs**, shall be completely fulfilled and extinguished if the Limit of Liability has been exhausted by payment of **Loss**.
- B. The **Insureds** shall not admit liability, consent to any judgment, agree to any settlement or incur any **Defense Costs** without the Insurer's prior written consent, such consent not to be unreasonably withheld. There shall be no coverage for any **Loss** resulting from any admission of liability, consent to any judgment, agreement to settle or incurrance of **Defense Costs** without the Insurer's prior written consent. The **Insureds** agree that they shall not knowingly take any action which increases the Insurer's exposure for **Loss** under this Policy resulting from any **Claim**.
- C. The Insurer has the right to negotiate the settlement of any **Claim** as it deems expedient, but only with the **Insured's** consent. In the event the Insurer recommends a settlement and the **Insureds** refuse to consent thereto, the **Insureds** shall become obligated to settle or defend such **Claim** independently of the Insurer. Subject to the Retention and Limit of Liability, the Insurer's liability for such **Claim** shall be limited to the amount which the Insurer would have contributed to the settlement had the **Insureds** consented to settlement, plus **Defense Costs** incurred up to the date of the **Insured's** refusal to settle and otherwise covered under this Policy.
- D. The **Insureds** agree to cooperate with the Insurer, and provide all assistance and information reasonably requested by the Insurer. When requested by the Insurer, the **Insureds** shall submit to examination by a representative of the Insurer, under oath if required, and shall attend hearings, depositions, and trials and shall assist in the conduct of **Claims** including but not limited to effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, giving written statements to the Insurer's representatives and meeting with such representatives for the purpose of investigation and/or defense, all of the above without charge to the Insurer. The **Insureds** further agree not to take any action which may increase the Insurer's exposure for **Loss**.



The **Insureds** shall execute all papers required and shall do everything that may be necessary to secure and preserve any rights of indemnity, contribution or apportionment which the **Insureds** may have, including the execution of such documents as are necessary to enable the Insurer to bring suit in their name, and shall provide all other assistance and cooperation which the Insurer may reasonably require.

III. DEFINITIONS

- A. "**Affiliate**" means any entity other than a **Subsidiary**:
1. which the **Named Entity** or any **Subsidiary** controls or otherwise has the ability to direct the financial or managerial decisions of such entity, whether through operation of law, contract or agreement, stock ownership or membership, charter, articles of incorporation or by-law provisions; or
 2. which controls or otherwise has the ability to direct the financial or managerial decisions of the **Named Entity** or any **Subsidiary**, whether through operation of law, contract or agreement, stock ownership or membership, charter, articles of incorporation or by-law provisions.
- B. "**Application**" means all signed applications for this Policy and for any policy in an uninterrupted series of policies issued by the Insurer of which this Policy is a renewal or replacement.
- C. "**Claim**" means:
1. a civil, criminal, or administrative adjudicatory proceeding, or
 2. a written demand for monetary damages,
- against the **Insureds** for a **Wrongful Act**, including any appeal therefrom.
- D. "**Defense Costs**" means reasonable and necessary legal fees and expenses incurred by any attorney designated or consented to by the Insurer to defend the **Insureds** against any **Claim**, and costs of appeal, attachment or similar bonds. The Insurer shall have no obligation to provide such bonds. **Defense Costs** shall not include salaries, wages, fees, overhead or benefit expenses of the **Insureds**.
- E. "**Entity**" means the **Named Entity** or any **Subsidiary**.
- F. "**Individual Insureds**" means all persons who were, now are, or shall be duly elected or appointed directors, trustees, officers, employees, committee members or volunteers of the **Entity**, including their estates, heirs, legal representatives or assigns.
- G. "**Insureds**" means the **Entity** and the **Individual Insureds**.
- H. "**Interrelated Wrongful Acts**" means any **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.
- I. "**Loss**" means damages, settlements and **Defense Costs**. **Loss** shall not include:
1. punitive or exemplary damages or the amount of any multiplied damage award which is in excess of the damage award so multiplied;
 2. criminal or civil fines or penalties imposed by law;



3. taxes;
4. any amounts for which there is no legal recourse against the **Insureds**;
5. matters which may be deemed uninsurable under the law pursuant to which this Policy shall be construed; or
6. compensation earned in the course of employment by an employee of the **Entity**.

J. "**Named Entity**" means the organization named in Item 1. of the Declarations.

K. "**Policy Period**" means the period from the effective date of this Policy to the Policy expiration date, as set forth in Item 2. of the Declarations, or its earlier cancellation date.

L. "**Pollutants**" means any substance exhibiting hazardous characteristics as or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. **Pollutants** also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products or any noise.

M. "**Subsidiary**" means any corporation:

1. which is tax exempt under Internal Revenue Code Section 501(c)(3) and any amendment thereto; and
2. for which the **Named Entity** has the right to appoint more than 50% of its directors:
 - a. on or before the effective date of this Policy; or
 - b. after the effective date of this Policy by reason of being created or acquired by the **Entity** after such date.

N. "**Wrongful Act**" means any actual or alleged error, misstatement, misleading statement, act or omission or neglect or breach of duty by the **Entity** or by the **Individual Insureds** in the discharge of their duties solely in their capacity as **Individual Insureds**, including but not limited to:

1. wrongful dismissal or discharge or termination of employment, whether actual or constructive;
2. discrimination, whether based upon race, sex, age, national origin, religion or disability;
3. sexual or other harassment in the workplace;
4. false arrest, wrongful detention or imprisonment, or malicious prosecution;
5. libel, slander, defamation of character, or invasion of privacy;
6. wrongful entry or eviction;
7. infringement of copyright or trademark or unauthorized use of title; or



8. plagiarism or misappropriation of ideas.

Wrongful Act does not include any actual or alleged conduct by the **Individual Insureds** in the discharge of their duties as directors, trustees, officers, employees, committee members or volunteers of any entity other than the **Entity**, even if such service is directed or requested by the **Entity**.

IV. EXTENDED REPORTING PERIOD

- A. If the **Named Entity** cancels or non-renews this Policy or if the Insurer decides not to renew this Policy, the **Insureds** shall have the right to purchase, upon payment of an additional premium of 75% of the total premium for this Policy, an extension of this Policy for a period of 12 calendar months immediately following the end of the **Policy Period**, but only with respect to any **Wrongful Act** committed before the end of the **Policy Period**. This period shall be referred to as the Extended Reporting Period.
- B. As a condition precedent to the right to purchase the Extended Reporting Period, the total premium for this Policy must have been paid. The right to purchase the Extended Reporting Period shall end unless written notice and full payment of the premium for such period is received by the Insurer within 30 days after the end of the **Policy Period**.
- C. If the Extended Reporting Period is purchased, the entire premium shall be deemed earned at its commencement without any obligation by the Insurer to return any portion thereof.
- D. There is no separate or additional Limit of Liability for the Extended Reporting Period.

V. EXCLUSIONS

The Insurer shall not be liable to pay any **Loss** in connection with any **Claim**:

- A. where it is established in fact in such **Claim** that the **Insureds** gained any personal profit, remuneration or pecuniary advantage to which they were not legally entitled or committed any fraudulent or criminal **Wrongful Act** with actual knowledge of its wrongful nature or with intent to cause damage; provided, however, that any **Wrongful Act** of any of the **Individual Insureds** shall not be imputed to any of the other **Individual Insureds** for determining the applicability of this exclusion;
- B. for any actual or alleged bodily injury, sickness, disease, or death of any person, or damage to or destruction of any tangible property including loss of use;
- C. made against the **Insureds** in their capacities as fiduciaries as defined in the Employee Retirement Income Security Act of 1974 and amendments or similar provisions of any federal, state or local statute or common law, for any Pension, Profit Sharing or Welfare Plan(s) of the **Entity**;
- D. based upon, directly or indirectly arising out of, or in any way involving:
 1. any **Wrongful Act** or any matter, fact, circumstance, situation, transaction, or event which has been the subject of any claim made prior to the effective date of this Policy or of any notice given during any prior policy of which this Policy is a successor; or



2. any other **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** which has been the subject of such claim or such notice, would constitute **Interrelated Wrongful Acts**;
- E.** made against any **Subsidiary** or its **Individual Insureds** for:
- a. any **Wrongful Act** occurring before the date such entity became a **Subsidiary** or for any **Wrongful Act** occurring on or after the date it became a **Subsidiary** which, together with a **Wrongful Act** occurring before the date it became a **Subsidiary**, would constitute **Interrelated Wrongful Acts**; or
 - b. any **Wrongful Act** occurring after the date such entity ceased to be a **Subsidiary**;
- F.** based upon, directly or indirectly arising out of, or in any way involving any civil, criminal or administrative proceeding prior to or pending on the date set forth in Item 8. of the Declarations, or any fact, circumstance, situation, transaction or event underlying or alleged in such proceeding;
- G.** based upon, directly or indirectly arising out of, or in any way involving: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of or exposure to **Pollutants**; any request, direction or order that any of the **Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person, or financial loss to the **Entity**, its security holders, or its creditors resulting from any of the aforementioned matters;
- H.** by the **Entity** or derivatively on behalf of the **Entity** by any directors or trustees of the **Entity**, or by any **Affiliate** or derivatively on behalf of any **Affiliate**;
- I.** for liability under any contract or agreement, including any evidence of debt, except liability which attaches to the **Insureds** even in the absence of such contract or agreement; provided, however, this exclusion shall not apply to any **Claim** for liability under employment contract;
- J.** for actual or alleged personal injury arising out of a publication or utterance concerning any organization or business enterprise or its products or services made by or at the direction of any of the **Insureds** with knowledge of the falsity thereof; or
- K.** based upon, directly or indirectly arising out of, or in any way involving the printing of periodicals, advertising matter, or any and all jobs taken by any of the **Insureds** to be printed for a third party, when the periodical, advertising matter, or other printing is not a regular part of the **Insured's** own publication.

VI. RETENTION/LIMIT OF LIABILITY

- A.** The Insurer shall be liable to pay **Loss** resulting from each **Claim** made against the **Insureds** in excess of the Retention Amount which shall be uninsured.
- B.** The amount set forth in Item 3. of the Declarations shall be the maximum aggregate Limit of Liability of the Insurer for all **Loss** under this Policy, regardless of the number of **Claims** made against the **Insureds**.
- C.** The **Entity** agrees that it shall pay the Retention Amount in connection with any **Claims** to the fullest extent permitted by applicable law. If the **Entity** is not permitted by applicable law to pay the Retention



Amount in connection with any **Claim**, no Retention Amount shall apply to such **Claim**. The **Entity** further agrees that if it is permitted by applicable law to pay the Retention Amount but fails to do so, it shall be responsible for, and shall hold the Insurer harmless from, the Retention Amount.

VII. NOTICE AND INTERRELATED CLAIM CLAUSE

- A.** If during the **Policy Period** or the Extended Reporting Period any **Claim** is first made against the **Insureds**, the **Insureds** shall, as a condition precedent to the obligations of the Insurer under this Policy, give written notice to the Insurer as soon as practicable after such **Claim** is first made.
- B.** If during the **Policy Period** or the Extended Reporting Period the **Insureds** first become aware of a specific **Wrongful Act** and during such period give written notice to the Insurer as soon as practicable of:
1. the names of the potential claimants and a description of the specific **Wrongful Act** which form the basis of their potential claim,
 2. the consequences which have resulted or may result from such specific **Wrongful Act**,
 3. the nature of the alleged or potential damages arising from such specific **Wrongful Act**, and
 4. the circumstances by which the **Insureds** first became aware of the specific **Wrongful Act**, then any **Claim** otherwise covered under this Policy subsequently made arising out of such **Wrongful Act** shall be deemed to have been made at the time such written notice was given.
- C.** More than one **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as one **Claim** which shall be deemed to have been made on the earlier of:
1. the date on which the earliest **Claim** was first made, or
 2. the first date notice was given under this Policy or any prior policy of which this Policy is a successor of any **Wrongful Act** or any fact, circumstance, situation, event or transaction which underlies any such **Claim**.
- D.** The **Insureds** shall give notice to the Insurer under this Section as specified in Item 6. of the Declarations.

VIII. CANCELLATION

- A.** The Insurer may not cancel this Policy except for non-payment of any premium when due. In such event, the Insurer may cancel this Policy by providing to the **Named Entity** written notice stating when, not less than 20 days thereafter, such cancellation shall be effective.
- B.** The **Insureds** grant the exclusive authority to cancel this Policy to the **Named Entity**. The **Named Entity** may cancel this Policy by providing the Insurer written notice stating when thereafter such cancellation shall be effective. The mailing or delivery of such notice shall be sufficient. The unearned premium shall be computed pro rata and premium adjustment may be made at the time cancellation is effected or as soon as practicable.

IX. NON-RENEWAL/RENEWAL ON DIFFERENT TERMS

- A.** Non-Renewal



If the Insurer decides not to renew this Policy, the Insurer shall provide written notice to the **Named Entity** at least 60 days prior to the Policy expiration date. The notice shall include the reason for such non-renewal.

B. Renewal on Different Terms

If the Insurer offers to renew this Policy on terms which involve any change in Retention Amount, premium, Limit of Liability or other terms and conditions, the Insurer shall provide written notice to the **Named Entity** at least 60 days prior to the Policy expiration date.

X. NOTICES TO THE NAMED ENTITY

Any notices required under Clause **VIII. CANCELLATION A.** and Clause **IX. NON-RENEWAL/RENEWAL ON DIFFERENT TERMS** shall be provided to the **Named Entity** at the last known principal address and to its insurance agent or broker. The mailing by certified mail of such notice shall be sufficient.

XI. OTHER INSURANCE

If any **Loss** resulting from any **Claim** is insured under any other policy(ies), this Policy shall apply only to the extent the **Loss** exceeds the amount paid 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 this Policy.

XII. APPLICATION

It is represented by the **Insureds** and it is agreed by and among the **Insureds** and the Insurer as follows:

1. the particulars and statements contained in the **Application**, a copy of which is attached hereto, and any materials submitted or required (which shall be maintained on file by the Insurer and be deemed attached as if physically attached), are true and are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy;
2. the statements in the **Application** and in any materials submitted or required are the **Insureds'** representations and shall be deemed material to the acceptance of this risk or the hazard assumed by the Insurer under this Policy and this Policy is issued in reliance upon the truth of such representations; and
3. in the event the **Application**, including materials submitted or required, contains any misrepresentation:
 - a. made with the intent to deceive, or
 - b. which materially affects either the acceptance of the risk or the hazard assumed by the Insurer under the Policy; this Policy shall be void and of no effect whatsoever as to any of the **Individual Insureds** who is responsible for or who had knowledge of such misrepresentation. Such responsibility or knowledge shall not be imputed to any other **Insured** for the purposes of determining the availability of coverage.

XIII. SUBROGATION AND RECOVERY

The Insurer shall be subrogated to the extent it pays any **Loss** to all the **Insureds'** rights of recovery, and the Insureds shall:

1. execute all papers necessary to secure such rights, including executing any documents necessary to enable the Insurer effectively to bring suit in their name; and



2. take no action which impairs the Insurer's rights of subrogation or recovery.

XIV. CHANGES

Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not effect a waiver or a change in any part of this Policy or estop the Insurer from asserting any right under the provisions of this Policy, nor shall the provisions be waived or changed except by written endorsement issued to form a part of this Policy.

XV. ENTITY AUTHORIZATION

The **Insureds** agree that the **Named Entity** will act on behalf of the **Insureds** with respect to giving of all notice to the Insurer (except notices provided in Section **VII.A.** or **B**), the receipt of notices from the Insurer, the payment of the premiums, and the receipt of any return premiums that may become due under this Policy.

XVI. NO ACTION AGAINST INSURER

No action shall be taken against the Insurer unless, as a condition precedent, there shall have been full compliance with all the provisions of this Policy nor until the amount of the **Insureds'** obligation to pay shall have been finally determined either by final and nonappealable judgment against the **Insureds** after trial, or by written agreement of the **Insureds**, the claimant and the Insurer.

No person or organization shall have any right under this Policy to join the Insurer as a party to any **Claim** against the **Insureds** to determine the **Insureds'** liability, nor shall the Insurer be impleaded by the **Insureds** or their legal representatives in any such **Claim**.

XVII. ASSIGNMENT OF INTEREST

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed.

XVIII. TERRITORY

Coverage shall apply worldwide.

XIX. ENTIRE AGREEMENT

The **Insureds** agree that this Policy, including the **Application** and any materials submitted or required, and any written endorsement attached, constitute the entire agreement existing between them and the Insurer or any of its agents relating to this insurance.

Chairman

Secretary