

PROFESSIONAL SERVICES LIABILITY FORM
THIS IS A CLAIMS MADE FORM

THIS FORM APPLIES ONLY TO "CLAIMS" OF WHICH YOU FIRST BECOME AWARE AND REPORT TO US DURING THE POLICY PERIOD OR, IF APPLICABLE, THE EXTENDED REPORTING PERIOD

Words and Phrases in Quotation Marks have special meaning and are defined in this form or in the Commercial Common Agreements, Definitions and Conditions Form attached to this policy.

Throughout this policy the words "you" and "your" refer to the Named Insured shown on the "Declarations Page" or any other person qualifying as a Named Insured under WHO IS AN INSURED. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED.

INSURING AGREEMENTS

1. COVERAGE

"We" will pay on "your" behalf "compensatory damages" for which "you" are legally liable arising out of a "wrongful act" in the rendering or failure to render "professional services", but only if such "claim" for "compensatory damages" is first made and reported to "us" during:

- i. The "policy period"; or
- ii. If applicable, the extended reporting period as described in Extended Reporting Period; and if a retroactive date is shown for this form on the "Declarations Page", between that retroactive date and the end of the "policy period".

2. DEFENSE AND SETTLEMENT

"We" shall have the right and duty to:

- i. defend any "action" or arbitration proceeding against "you" seeking "compensatory damages" payable under the terms of this form even if the allegations of the "action" are groundless, false or fraudulent; and
- ii. investigate and negotiate the settlement of any "claims" or "action" as "we" deem expedient; but "our" right and duty to defend ends when the applicable limit of liability has been exhausted in the payment of judgements or settlement of "claims".

Our right and duty to defend ends when the limit of insurance has been exhausted in the payment of judgments and settlements.

3. SUPPLEMENTARY PAYMENTS

"We" will pay, with respect to any "claim" we investigate or settle, or any "action" we defend:

- a. All expenses we incur;
- b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of coverage. "We" do not have to furnish these bonds.
- c. All reasonable expenses "you" incur at "our" request to assist in the investigation of defense of the "claim" or "action" including actual loss of earnings up to \$250.00 a day because of "your" time off from work.
- d. All costs assessed or awarded against you in the "action".
- e. Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of coverage and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limits of coverage.

These payments will not reduce the limits of insurance.

EXCLUSIONS

"We" will not cover any "claims" arising out of:

- (a) **Cost Estimate or Guarantee**
Express or implied warranties or guarantees, cost estimates being exceeded, estimates of profit or return on capital;
- (b) **Criminal, Dishonest or malicious acts**
Any criminal, dishonest, fraudulent, intentional or malicious act, error or omission committed by or at "your" direction.

(c) **Electronic Data**

"Compensatory damages" arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic "data".

(d) **Employment practices**

Any "employment practice". This exclusion applies:

- i. whether "you" or any insured person under this form is liable as an employer or in any other capacity; and
- ii. to any obligation to share "compensatory damages" with or repay another who is liable for "compensatory damages" because of such "employment practice"

(e) **Fines, penalties, or taxes**

Fines, penalties, or taxes imposed by law or by any regulatory or oversight body or committee.

(f) **General Liability**

"Bodily injury", "property damage" or "personal and advertising injury" unless directly arising from a "wrongful act" insured by this form.

(g) **Known wrongful acts**

Any wrongful act that, before the policy period, was:

- i. known by you; and
- ii. undisclosed to us.

(h) **Recall or Withdrawal**

the adjustment, disposal, inspection, loss of use, recall, removal, repair, replacement or withdrawal of:

- i. your "product" or any other product
- ii. your "work" or any other work; or
- iii. "impaired property".

The following Exclusions are applicable to this coverage and are contained in the "Commercial Common Agreements, Definitions, Exclusions and Conditions" form.

- (j) **Asbestos**
- (k) **Data**
- (l) **Disease, Illness or Infection**
- (m) **Fungi or Spores**
- (n) **Nuclear Energy Liability**
- (o) **Pollution**
- (p) **Terrorism**
- (q) **War Risks**
- (r) **"Silica" or "Silica-Related Dust"**
- (s) **"Unmanned Air Vehicle System(s)"**

WHO IS AN INSURED

- (1) If "you" are designated on the "Declarations Page" as:
 - (a) an individual, "you" and "your" spouse are insureds, but only with respect to the conduct of a business of which "you" are the sole owner.
 - (b) a partnership, limited liability partnership or joint venture, "you" are an insured. "Your" members, "your" partners, and their spouses are also insureds, but only with respect to the conduct of "your" business.
 - (c) a limited liability company, "you" are an insured. "Your" members are also insureds, but only with respect to the conduct of "your" business. "Your" managers are insureds, but only with respect to their duties as "your" managers.
 - (d) an organization other than a partnership, limited liability partnership, joint venture or limited liability company, "you" are an insured. "Your" "executive officers" and directors are insureds, but only with respect to their duties as "your" officers or directors. "Your" shareholders are also insureds, but only with respect to their liability as shareholders.
 - (e) a trust, "you" are an insured. "Your" trustees are also insureds, but only with respect to their duties as trustees.
- (2) Each of the following is also an insured:
 - (1) "Your" "volunteer workers" only while performing duties related to the conduct of "your" business, or "your" "employees", other than either "your" "executive officers" (if "you" are an organization other than a partnership, limited liability partnership, joint venture or limited liability

company) or "your" managers (if "you" are a limited liability company), but only for acts within the scope of their employment by "you" or while performing duties related to the conduct of "your" business.

- (2) "Your" legal representative if "you" die, but only with respect to duties as such. That representative will have all "your" rights and duties under this Policy.
- (3) Any organization "you" newly acquire or form, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which "you" maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However, coverage under this provision is afforded only until the 90th day after "you" acquire or form the organization or the end of the policy period, whichever is earlier;
No person or organization is an insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured on the "Declarations Page".

LIMITS OF INSURANCE

1. The limit of insurance shown for this form in the "Declarations Page" and the following rules fix the most that "we" will pay as "compensatory damages", regardless of the number of:
 - a. insureds;
 - b. claims made or "actions" brought; or
 - c. people or organizations making claims or bringing "actions".
2. a. The aggregate limit is the most "we" will pay under this form for "compensatory damages" because of all "wrongful acts".
 - b. i. If the policy period shown on the "Declarations Page" is 12 months or less, the aggregate limit is the most that "we" will pay during the policy period; or
 - ii. if the policy period shown on the "Declarations Page" is more than 12 months, the aggregate limit is the most that "we" will pay during each consecutive 12-month period within the policy period, starting from the beginning of the policy period; and
 - iii. if the policy period shown on the "Declarations Page" is extended after issuance of the policy, the additional period will be considered part of the immediately preceding policy period for the purpose of determining the applicable aggregate limit.

EXTENDED REPORTING PERIOD

If this form is cancelled or not renewed, "you" have the right, upon payment of an additional premium of 25% of the annual premium for this form, to an extended reporting period with respect to any "claim" which shall be first made against "you" during the period of twelve calendar months after the date of such cancellation or non-renewal. A "claim" first made during the Extended Reporting Period will be deemed to have been made on the last day of the policy period. The first Named Insured shown on the "Declarations Page" must give "us" a written request for this extension, together with payment of the appropriate premium, within sixty (60) days after the effective date of cancellation or non-renewal.

DEFINITIONS

Action means

a civil proceeding in which "compensatory damages" to which this form applies are alleged. "Action" includes:

- i. an arbitration proceeding to which an Insured must submit or does submit with the Insurer's consent; and
- ii. any other alternative dispute resolution proceeding to which an Insured submits with the Insurer's consent.

Claim means

- i. a written or oral notice received by "you" that it is the intention of any party to hold "you" responsible for a "wrongful act" to which this form applies; or
- ii. a specific written or oral allegation received by "you" that a "wrongful act" to which this form applies has been committed by an insured under this form.

Employment practice means:

- i. refusal of employment;
- ii. termination of employment;
- iii. the administration of any employee benefits program; or
- iv. any other employment-related practices, policies, procedures, acts or omissions, including coercion, demotion, defamation, discipline, discrimination, evaluation, harassment, humiliation, reassignment or work allocation.

Policy period means

The period of one year following the effective date of this form or any renewal date of this form, or any lesser period of the time between the effective date or renewal date and the termination of this form if less than one year.

Wrongful act means

Any negligent act, error or omission.