

Nonprofit Liability Insurance

June 13, 2017

Kelly Moller
Minnesota Alliance on Crime
Suite 104
155 South Wabasha Street
Saint Paul, MN 55107

Policy Number: 1566780

Dear Kelly,

Thank you for choosing Monitor Liability Managers and the W.R. Berkley Corporation for your professional liability insurance needs. We know that you have many choices for your insurance and we appreciate your choosing Monitor.

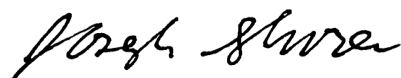
Monitor and all its employees are proud of our tradition of providing an exceptional insurance facility and making every effort to assure your satisfaction with our product and service. The people behind the promise to pay are critical to the value of any insurance policy. Like most services, you get what you pay for - the premium is only one part of the value of an insurance policy.

The most important service we provide and the greatest value you receive does not come from delivering the policy - it comes from handling your claims. While we help our policyholders with loss control and crisis avoidance, if the day comes when you face a claim, we will be there to help you navigate through the complexities of a professional liability claim.

Attached is a narrative from Mr. Todd Hampton, Vice President - Claims, outlining claims reporting guidelines in the event that a claim does occur. With many years of experience handling complex professional liability claims, I am confident you will be pleased to have Monitor on your side.

Once again, thank you for choosing Monitor and the W.R. Berkley Corporation. We hope that you will see the value in the people behind the promise and we hope to be your choice for your professional liability needs for years to come. Please call your professional liability insurance agent if you have any questions about Monitor, or any comments about our service to you. Your satisfaction is important to us.

Regards,



Joseph G. Shores
President

MONITOR LIABILITY MANAGERS

CLAIM REPORTING PROCEDURES

In the event of an incident which may result in a claim, an actual claim or your receipt of suit papers, please follow the procedures outlined below:

NOTICE OF EACH INCIDENT, CLAIM OR SUIT SHOULD IMMEDIATELY BE REPORTED TO:

**MONITOR LIABILITY MANAGERS
CLAIMS DEPARTMENT
233 S. WACKER DRIVE, SUITE 3900
CHICAGO, IL 60606
Fax: (312) 207-1933
E-mail: newclaim@monitorliability.com
Online: www.monitorliability.com/claims/report-claim**

TO ENABLE US TO RESPOND MORE QUICKLY AND EFFICIENTLY, please fax or email any pertinent details of the claim directly to our attention.

PLEASE BE SURE TO INCLUDE:

- Your Name, Address and Phone Number;
- Your Policy Number and the Policy Period;
- A written narrative of the circumstances surrounding the claim or potential claim;
- Names and addresses of the claimant;
- Details of the any underlying claim, including current status and the amount in controversy or relief demanded.
- If you are submitting the report by mail or fax, please also include any letters of demand or any legal papers which you have received regarding the claim.

Please provide your professional liability insurance agent a copy of all claim notices and correspondence sent to Monitor Liability Managers.

Nonprofit Management Liability Insurance

NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS SUBJECT TO ITS TERMS. THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.

PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

IF CT 22330 (09-06) IS ATTACHED TO THIS POLICY, COSTS OF DEFENSE REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY. THE INSURER SHALL NOT BE LIABLE FOR LEGAL DEFENSE COSTS OR FOR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT AFTER EXHAUSTION OF THE LIMIT OF LIABILITY.

Whenever printed in this Declarations Page, the boldface type terms shall have the same meanings as indicated in the **Policy**.

Item 1. Name and Address of Named Insured: **Policy Number: 1566780**

Minnesota Alliance on Crime
Suite 104
155 South Wabasha Street
Saint Paul, MN 55107

Item 2. Policy Period: From July 9, 2017 (inception date) to July 9, 2018 (expiration date)
*(Both dates at 12:01 a.m. Standard Time at the address of the **Named Insured**)*

Item 3. Purchased Coverage Sections:

Directors, Officers and Organization Liability Insurance Coverage Section:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Employment Practices Liability Insurance Coverage Section:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fiduciary Liability Insurance Coverage Section:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Item 4. Limits of Liability for the Policy Period:

A. Combined Aggregate Limit of Liability for all **Coverage Sections** purchased as indicated above. Not Applicable

OR

B. Separate Aggregate Limit of Liability for each **Coverage Sections**:

1. Directors, Officers and Organization Liability Insurance Coverage Section:	\$1,000,000
2. Employment Practices Liability Insurance Coverage Section:	\$1,000,000
3. Fiduciary Liability Insurance Coverage Section:	Not Applicable

Item 5. Applicable Deductibles:

1. Directors, Officers and Organization Liability Insurance Coverage Section:	
A. Insured Person Non-Indemnifiable:	\$0
B. Insured Person Indemnifiable:	\$0
C. Insured Entity Liability:	\$500
2. Employment Practices Liability Insurance Coverage Section:	\$1,000
3. Fiduciary Liability Insurance Coverage Section:	Not Applicable

Item 6. Premium: \$907

Item 7. Extended Reporting Period: Option 1: 12 months for 50.00 percent of the "full annual premium"

Item 8. Forms and Endorsements attached at inception:

Policy Form: CT 22335 (09-06) / NP 23300 (09-06) / EPL 23300 (09-06)

1	028-OFAC	(03-16)	Trade and Economic Sanctions
2	265	(01-15)	POLICYHOLDER DISCLOSURE
3	CT 238030	(11-13)	Modification to Section VIII. B. Proposal
4	EPL 230115	(09-06)	Minnesota Employment Practices Liability Amendatory Endorsement
5	MN-PHN	(01-17)	Minnesota IMPORTANT POLICYHOLDER NOTICE
6	NP 230115	(09-06)	Minnesota Directors, Officers and Organization Liability Amendatory Endorsement
7	NP 230116	(09-06)	Minnesota Proposal Form Addendum
8	NP 234354	(06-09)	Addition to Section IV. Professional Services for Others Exclusion
9	NP 234400	(09-06)	Addition to Section IV. Broad Intellectual Property Exclusion

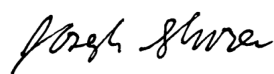
Item 9. Notice to the **Insurer** as provided in section VII. A. and B. shall be sent to: All other notices to be given to the **Insurer** shall be sent to:

Monitor Liability Managers, Claims Department
233 S. Wacker Drive, Suite 3900, Chicago, IL 60606
Toll Free: (844) 465-6256 Fax: (312) 207-1933
Email: newclaim@monitorliability.com

Monitor Liability Managers
233 S. Wacker Drive, Suite 3900, Chicago, IL 60606
Toll Free: (800) 446-2100

The Nonprofit Management Liability Insurance **Policy** shall constitute the contract between the **Insureds** and the **Insurer**.

Authorized Representative:



Date Issued: June 13, 2017

Trade and Economic Sanctions

This **Policy** does not provide coverage for **Insureds**, transactions or that part of **Loss**, including **Damages** and/or **Costs of Defense** that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

Insured Minnesota Alliance on Crime		Policy Number 1566780
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POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism, as defined in the Terrorism Risk Insurance Act, as amended, (the "Act"), is included in your policy. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Act. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Act contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism as defined in the Act is \$0, and does not include any charges for the portion of losses covered by the United States government under the Act.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Modification to Section VIII. B. Proposal

In consideration of the premium paid for this Policy, it is understood and agreed that:

1. Section VIII. General Conditions B. of the Common Policy Terms and Conditions Section of this **Policy** is amended as follows:
VIII. B.: As used herein and in any endorsement attached to this **Policy**, the sentence "A copy of the Proposal Form(s) is attached hereto." is hereby deleted in its entirety. The Proposal Form(s) shall be maintained on file with the **Insurer** and shall be deemed to be attached hereto as if physically attached.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

Insured Minnesota Alliance on Crime		Policy Number 1566780
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Minnesota Employment Practices Liability Amendatory Endorsement

In consideration of the premium paid for this **Policy**, it is understood and agreed that:

1. This endorsement is considered to be attached to, and forming part of, the Nonprofit Management Liability Insurance **Policy** and any related endorsements and forms.
2. Section III. Additional Definitions C. "**Damages**" of the Employment Practices Liability Insurance Coverage Section of this **Policy** is deleted in its entirety and replaced with the following:

III. C.: "**Damages**" means a monetary judgment (including back pay and front pay), award or settlement, pre-judgment interest and post-judgment interest; provided, however, **Damages** shall not include:

1. taxes (provided, however, that the **Insurer** will reimburse an **Insured Entity** for any employer share of payroll taxes on any portion of damages or settlements which constitute back pay otherwise considered **Damages**), civil or criminal fines, or penalties imposed by law, or
2. payment of insurance, disability, pension, health or other plan benefits claimed by or on behalf of any former or current **Employee**, or that a claimant would have been entitled to as an **Employee** had the **Insured Entity** provided the claimant with a continuation of insurance, or
3. costs incurred by any **Insured** to make any building or property more accessible or accommodating to any disabled person, or
4. commissions, bonuses, profit sharing or severance payments, or
5. future wages or benefits of any reinstated **Employee** or wages or benefits associated with the continued employment of an **Employee**, or
6. any matter deemed uninsurable under the law pursuant to which this **Policy** shall be construed.

Damages shall not include liquidated, punitive, or exemplary damages, or any multiplied damages award in excess of the amount so multiplied. Only for the purpose of resolving any dispute between the **Insurer** and the **Insured** regarding whether such liquidated, punitive, exemplary or multiplied damages are insurable under this **Policy**, the law of the jurisdiction most favorable to the insurability of those damages shall control, provided that such jurisdiction is where:

1. those damages were awarded or imposed, or
2. any **Wrongful Act** occurred for which such damages were awarded or imposed, or
3. the **Insured** resides, is incorporated or has its principal place of business, or
4. the **Insurer** is incorporated or has its principal place of business.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Minnesota IMPORTANT POLICYHOLDER NOTICE

IMPORTANT NOTICE TO ALL POLICYHOLDERS REGARDING QUESTIONS OR COMPLAINTS

In the event you need to contact someone about this **Policy** for any reason, please contact your agent. If you have questions or complaints, you may contact your **Insurer** at:

**Carolina Casualty Insurance Company
Building 200, Suite 200
5011 Gate Parkway
Jacksonville, FL 32256
1-800-874-8053**

NOTICE CONCERNING POLICYHOLDER RIGHTS IN AN INSOLVENCY UNDER THE MINNESOTA INSURANCE GUARANTY ASSOCIATION LAW

The financial strength of your insurer is one of the most important things for you to consider when determining from whom to purchase a property or liability insurance policy. It is your best assurance that you will receive the protection for which you purchased the policy. If your insurer becomes insolvent, you may have protection from the Minnesota Insurance Guaranty Association as described below but to the extent that your policy is not protected by the Minnesota Insurance Guaranty Association or if it exceeds the Guaranty Association's limits, you will only have the assets, if any, of the insolvent insurer to satisfy your claim.

Residents of Minnesota who purchase property and casualty or liability insurance from insurance companies licensed to do business in Minnesota are protected, **SUBJECT TO LIMITS AND EXCLUSIONS**, in the event the insurer becomes insolvent. This protection is provided by the Minnesota Insurance Guaranty Association.

**Minnesota Insurance Guaranty Association
7600 Parklawn Avenue, #460
Edina, Minnesota 55435
1-952-831-1908**

The maximum amount that the Minnesota Insurance Guaranty Association will pay in regard to a claim under all policies issued by the same insurer is limited to \$300,000. This limit does not apply to workers' compensation insurance. Protection by the Guaranty Association is subject to other substantial limitations and exclusions. If your claim exceeds the Guaranty Association's limits you may still recover a part or all of that amount from the proceeds from the liquidation of the insolvent insurer, if any exist. Funds to pay claims may not be immediately available. The Guaranty Association assesses insurers licensed to sell property & casualty or liability insurance in Minnesota after the insolvency occurs. Claims are paid from the assessment.

THE PROTECTION PROVIDED BY THE GUARANTY ASSOCIATION IS NOT A SUBSTITUTE FOR USING CARE IN SELECTING INSURANCE COMPANIES THAT ARE WELL MANAGED AND FINANCIALLY STABLE. IN SELECTING AN INSURANCE COMPANY OR POLICY, YOU SHOULD NOT RELY ON PROTECTION BY THE GUARANTY ASSOCIATION.

THIS NOTICE IS REQUIRED BY MINNESOTA STATE LAW TO ADVISE POLICYHOLDERS OF PROPERTY AND CASUALTY OR LIABILITY INSURANCE POLICIES OF THEIR RIGHTS IN THE EVENT THEIR INSURANCE CARRIER BECOMES INSOLVENT. THIS NOTICE IN NO WAY IMPLIES THAT THE COMPANY CURRENTLY HAS ANY TYPE OF FINANCIAL PROBLEMS. ALL PROPERTY AND CASUALTY INSURANCE OR LIABILITY POLICIES ARE REQUIRED TO PROVIDE THIS NOTICE.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Minnesota Directors, Officers and Organization Liability Amendatory Endorsement

In consideration of the premium paid for this **Policy**, it is understood and agreed that:

1. This endorsement is considered to be attached to, and forming part of, the Nonprofit Management Liability Insurance **Policy** and any related endorsements and forms.
2. Section III. Additional Definitions C. "**Damages**" of the Directors, Officers and Organization Liability Insurance Coverage Section of this **Policy** is deleted in its entirety and replaced with the following:

III. C.: "**Damages**" means a monetary judgment, award or settlement, pre-judgment interest and post-judgment interest; provided, however, **Damages** shall not include:

 1. taxes, civil or criminal fines, or penalties imposed by law, or
 2. costs incurred by any **Insured** to make any building or property more accessible or accommodating to any disabled person, or
 3. commissions, bonuses, profit sharing or severance payments, or
 4. any matter deemed uninsurable under the law pursuant to which this **Policy** shall be construed.

Damages shall not include liquidated, punitive, or exemplary damages, or any multiplied damages award in excess of the amount so multiplied. Only for the purpose of resolving any dispute between the **Insurer** and the **Insured** regarding whether such liquidated, punitive, exemplary or multiplied damages are insurable under this **Policy**, the law of the jurisdiction most favorable to the insurability of those damages shall control, provided that such jurisdiction is where:

 1. those damages were awarded or imposed, or
 2. any **Wrongful Act** occurred for which such damages were awarded or imposed, or
 3. the **Insured** resides, is incorporated or has its principal place of business, or
 4. the **Insurer** is incorporated or has its principal place of business.
3. Section II. Extended Reporting Period A. of the Common Policy Terms and Conditions Section of this **Policy** is deleted in its entirety and replaced with the following:

II. A.: If the **Named Insured** cancels or if the **Insurer** or the **Named Insured** refuses to renew this **Policy**, then the **Named Insured** shall have the right, upon payment of an additional premium of 50 percent of the "full annual premium", as stated in Item 7. of the Declarations, to an extension of the coverage granted by this **Policy** with respect to any **Claim** first made and reported during the period of 12 months, as stated in Item 7. of the Declarations, after the date upon which the **Policy Period** ends, but only with respect to any **Wrongful Act** fully occurring prior to the end of the **Policy Period** and otherwise covered by this **Policy**. Such period of months shall be referred to as the Extended Reporting Period. As used herein, "full annual premium" means the premium level in effect immediately prior to the end of the **Policy Period** for all **Coverage Sections** purchased as part of this **Policy**. The rights contained in this paragraph shall terminate, however, unless written notice of such election together with the additional premium due is received by the **Insurer** within 30 days of the effective date of cancellation or non-renewal.
4. Section V. Limits of Liability and Deductibles A. of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

V. A.: However, if a judgment is entered against an **Insured**, the principal amount of which is within the Limits of Liability stated in Item 4. of the Declarations and which is otherwise covered under this **Policy**, the **Insurer** shall pay any costs, disbursements or pre-judgment interest awarded on the portion of such judgment which is covered under this **Policy**, even if the total amount of the covered portion of the principal amount of the judgment, costs, disbursements, and pre-judgment interest exceeds the Limits of Liability.
5. Section VII. Notice of Claim and Multiple Claims B. of the Common Policy Terms and Conditions Section of this **Policy** is deleted in its entirety and replaced by the following:

VII. B.: If during the **Policy Period** or any Extended Reporting Period(s) that may apply the **Insureds** become aware of

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any fact, circumstance or situation which may reasonably be expected to give rise to a **Claim** being made against any **Insured** and shall give written or oral notice to the **Insurer**, as soon as practicable (but prior to the expiration of or cancellation of the **Policy**), of:

1. the specific fact, circumstance or situation, with full details as to dates, persons, and entities involved; and
2. the injury or damages which may result therefrom; and
3. the circumstances by which the **Insured** first became aware thereof;

then any **Claim** subsequently made arising out of such fact, circumstance or situation shall be deemed to have been made when notice was first given to the **Insurer**.

6. Section VII. Notice of Claim and Multiple Claims of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

VII.: The insurance agent or broker is authorized to receive notice of a **Claim**, and any written or oral notice given to the insurance agent or broker is considered notice to the **Insurer**.

7. Section VIII. General Conditions A. Termination of Policy and Non-Renewal 1. of the Common Policy Terms and Conditions Section of this **Policy** is deleted in its entirety and replaced by the following:

VIII. A. 1.: This **Policy** shall terminate at the earliest of the following times:

- a. upon the receipt by the **Insurer** of written notice of cancellation from the **Named Insured**;
- b. upon written notice by the **Insurer** of cancellation for non-payment of premium.

Unless otherwise specifically required, proof of mailing of any notice shall be sufficient proof of notice.

8. Section VIII. General Conditions A. Termination of Policy and Non-Renewal 2. of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

VIII. A. 2.: The notice of cancellation must state the amount of the premium due, the due date and the effect of nonpayment by the due date. Such cancellation shall not be effective if the amount due is paid before the effective date set forth in the notice of cancellation.

9. Section VIII. General Conditions A. Termination of Policy and Non-Renewal 4. of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

VIII. A. 4.: If notice of non-renewal is not given at least 60 days before the **Policy** expiration date, then this **Policy** shall continue in force until 60 days after a notice of intent not to renew is received by the **Named Insured**. This continuance of coverage shall not apply if the **Named Insured** has insured elsewhere, has accepted replacement coverage, or has requested or agreed to nonrenewal.

10. Section VIII. General Conditions B. of the Common Policy Terms and Conditions Section of this **Policy** is deleted in its entirety and replaced with the following:

VIII. B.: The **Proposal** is the basis of this **Policy** and is incorporated in and constitutes a part of this **Policy**. A copy of the Proposal Form(s) is attached hereto. Any material submitted with the Proposal Form(s) shall be maintained on file with the **Insurer** and shall be deemed to be attached hereto as if physically attached. It is agreed by the **Insureds** that the statements in the **Proposal** are their representations, that they are material and that this **Policy** is issued in reliance upon the truth of such representations. With respect to such statements and representations, no knowledge or information possessed by any **Insureds** shall be imputed to any other **Insureds**. This insurance is void in any case of fraud, material misrepresentation or material omission made by any person or persons who executed the Proposal Form or with their knowledge in obtaining this insurance or pursuing a **Claim** under this **Policy**.

This provision applies, notwithstanding any language to the contrary in the Proposal Forms.

11. Section VIII. General Conditions E. Subrogation of the Common Policy Terms and Conditions Section of this **Policy** is amended by the addition of the following:

VIII. F.: In the event of any payment under this Policy, the Insurer may not subrogate against any Insured if the Loss was caused by the Insured's unintentional act. The Insurer may not subrogate against another person if that person is insured for the same Loss by the Insurer and the Loss was caused by that person's unintentional act.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Minnesota Proposal Form Addendum

In consideration of the premium paid for this **Policy**, it is understood and agreed that:

1. This endorsement is considered to be attached to, and forming part of, the Nonprofit Management Liability Insurance **Policy** and any related endorsements and forms.
2. It is understood and agreed that the following language in the Proposal Form(s) attached to this addendum is deleted in its entirety.
 - any **Policy**, if issued, will be in reliance upon the truth of such representations; provided, however, with respect to such statements and representations, no knowledge or information possessed by any **Insureds** shall be imputed to any other **Insureds**. If any person or persons knew as of the **Policy** inception date that such declarations and statements contained in the Proposal Form(s) were untrue, inaccurate or incomplete, then this **Policy** will be void as to that person or persons. However, if the Chairperson of the Board of Directors, President, Chief Executive Officer, or Executive Director of the **Insured Entity** knew as of the **Policy** inception date that such declarations and statements contained in the Proposal Form(s) were untrue, inaccurate or incomplete, then this **Policy** will be void as to that person or persons and the **Insured Entity**;
3. It is understood and agreed that the following language is added to the Proposal Form(s) attached to this addendum.
 - any **Policy**, if issued, will be in reliance upon the truth of such representations; provided, however, with respect to such statements and representations, no knowledge or information possessed by any **Insureds** shall be imputed to any other **Insureds**. This insurance is void in any case of fraud, material misrepresentation or material omission made by you or with your knowledge in obtaining this insurance or pursuing a **Claim** under the **Policy**;

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Addition to Section IV. Professional Services for Others Exclusion

In consideration of the premium paid for this **Policy**, it is understood and agreed that section IV. Additional Exclusions of the Directors, Officers and Organization Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:

IV.: based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving the performance of any professional services for others, and caused by any act, error or omission.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Addition to Section IV. Broad Intellectual Property Exclusion

In consideration of the premium paid for this **Policy**, it is understood and agreed that:

1. Section IV. Additional Exclusions of the Directors, Officers and Organization Liability Insurance Coverage Section of this **Policy** is amended by the addition of the following:
IV.: based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged:
 1. plagiarism or piracy, or
 2. infringement of copyright, patent, title or slogan, or
 3. idea misappropriation, or
 4. intellectual property rights.
2. Section III. Additional Definitions H. "**Personal Injury**" of the Directors, Officers and Organization Liability Insurance Coverage Section of this **Policy** is deleted in its entirety and replaced with the following:
III. H.: "**Personal Injury**" means any actual or alleged defamation, invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, or malicious prosecution.

Whenever printed in this Endorsement, the boldface type terms shall have the same meanings as indicated in the Policy Form. All other provisions of the Policy remain unchanged.

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Carolina Casualty Insurance Company

Common Policy Terms and Conditions Section

This is a Claims Made Policy. Please read it carefully.

CLAIMS MADE WARNING FOR POLICY

NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO ANY "CLAIM" FIRST MADE AGAINST THE INSUREDS AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.

PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium, in reliance on all statements in the **Proposal** and all other information provided to the **Insurer**, and subject to all provisions of this **Policy**, the **Insurer** and **Insureds** agree as follows:

I. Common Policy Terms and Conditions Section

The Common Policy Terms and Conditions Section of this **Policy** shall apply to all **Coverage Sections**. Unless stated to the contrary in any **Coverage Section**, the terms and conditions of each **Coverage Section** of this **Policy** shall apply only to that **Coverage Section** and shall not apply to any other **Coverage Section** of this **Policy**. If any provision in the Common Policy Terms and Conditions Section is inconsistent or in conflict with the terms and conditions of any **Coverage Section**, the terms and conditions of such **Coverage Section** shall control for the purposes of that **Coverage Section**. Any defined term referenced in this Common Policy Terms and Conditions Section and also defined in a **Coverage Section** shall, for the purposes of coverage under that **Coverage Section**, have the meaning set forth in that **Coverage Section**.

II. Extended Reporting Period

- A. If the **Named Insured** cancels or if the **Insurer** or the **Named Insured** refuses to renew this **Policy**, then the **Named Insured** shall have the right, upon payment of the appropriate percentage of the "full annual premium", as stated in Item 7. of the Declarations, to an extension of the coverage granted by this **Policy** with respect to any **Claim** first made and reported during the appropriate period of months, as stated in Item 7. of the Declarations, after the date upon which the **Policy Period** ends, but only with respect to any **Wrongful Act** fully occurring prior to the end of the **Policy Period** and otherwise covered by this **Policy**. Such period of months shall be referred to as the Extended Reporting Period. As used herein, "full annual premium" means the premium level in effect immediately prior to the end of the **Policy Period** for all **Coverage Sections** purchased as part of this **Policy**. The rights contained in this paragraph shall terminate, however, unless written notice of such election together with the additional premium due is received by the **Insurer** within 30 days of the effective date of cancellation or non-renewal.
- B. The additional premium for the Extended Reporting Period shall be fully earned at the inception of the Extended Reporting Period. The Extended Reporting Period is not cancelable.
- C. Without any additional premium being required, there shall be an automatic extension of the coverage granted by this **Policy** with respect to any **Claim** first made and reported during a period of 60 days after the date upon which the **Policy Period** ends, but only with respect to any **Wrongful Act** fully occurring prior to the end of the **Policy Period** and otherwise covered by this **Policy** and only if there is no other policy or policies that would otherwise provide insurance for such **Wrongful Act**. This 60 day period shall be referred to as the Automatic Extended Reporting Period.

III. Definitions

Whenever printed in boldface type and whether in the singular or plural form in this **Policy**, the following terms shall have the meanings indicated below.

- A. "**Coverage Section(s)**" means, individually or collectively, the purchased **Coverage Sections** listed in Item 3. of the Declarations and attached hereto.
- B. "**Insured Entity**" means the **Named Insured** and any **Subsidiary**.
- C. "**Insurer**" means the entity issuing this **Policy** as listed on the Declarations Page.
- D. "**Named Insured**" means the entity designated in Item 1. of the Declarations.
- E. "**Policy**" means, collectively, the Declarations, the Common Policy Terms and Conditions Section, the **Coverage Sections**, and the **Proposal**.
- F. "**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 this **Policy**.
- G. "**Proposal**" means the Proposal Form(s) and any material submitted therewith.

H. “**Subsidiary(ies)**” means:

1. an entity which qualifies as a nonprofit organization under Section 501(c)(3), (c)(4), (c)(6), (c)(7), (c)(8), (c)(10), or (c)(13) of the Internal Revenue Code of 1986, including amendments thereto and which the **Named Insured** has or controls the right to elect or appoint more than 50 percent of the Board of Directors (or other governing body) on or before the inception of the **Policy Period**. The term **Subsidiary** shall not mean any political committee organized pursuant to Section 432 of the Federal Election Campaign Act of 1971, including amendments thereto, or
2. an entity, subject to the terms of section V. A. of the **Coverage Section(s)**, that the **Insured Entity** forms or acquires during the **Policy Period**.

IV. Exclusions

The **Insurer** shall not be liable to make any payment for **Loss** in connection with a **Claim** made against any **Insured**:

- A. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged nuclear reaction, radiation or contamination, regardless of cause;
- B. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged seepage, pollution or contamination of any kind.

V. Limits of Liability and Deductibles

- A. The Limits of Liability stated in Item 4. of the Declarations are the limits of the **Insurer's** liability for all **Damages** arising out of all **Claims** first made against the **Insureds** during the **Policy Period**, and any Extended Reporting Period(s) that may apply under the applicable **Coverage Sections**. The Limit of Liability for any Extended Reporting Period(s) that may apply shall be part of, and not in addition to, the applicable Limits of Liability stated in Item 4. of the Declarations. In the event the applicable Limits of Liability stated in Item 4. of the Declarations are exhausted by payment of **Damages**, or have been tendered to or on behalf of the **Insured**, then any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished.
- B. If the Combined Aggregate Limit of Liability for all **Coverage Sections** is purchased as stated in Item 4. A. of the Declarations, then the maximum limit of the **Insurer's** liability for all **Damages** arising out of all **Claims** first made against the **Insureds** during the **Policy Period**, and any Extended Reporting Period(s) that may apply under all **Coverage Sections** shall not exceed the Combined Aggregate Limit of Liability stated in Item 4. A. of the Declarations.
- C. If the Separate Aggregate Limit of Liability for each **Coverage Section** is purchased as stated in Item 4. B. of the Declarations, then the maximum limit of the **Insurer's** liability for all **Damages** arising out of all **Claims** first made against the **Insureds** during the **Policy Period**, and any Extended Reporting Period(s) that may apply shall not exceed the Separate Aggregate Limit of Liability for each applicable **Coverage Section** stated in Item 4. B. of the Declarations.

In the event a **Claim** is covered under more than one **Coverage Section**, and such **Coverage Sections** include the Employment Practices Liability Insurance **Coverage Section**, then any **Damages** for such **Claim** shall be covered first as provided in, and shall be subject to the available Limit of Liability applicable to, the Employment Practices Liability Insurance **Coverage Section**. Any remaining **Damages** for such **Claim** that is covered by any other **Coverage Section(s)** of this **Policy**, and is not paid under the Employment Practices Liability Insurance **Coverage Section**, shall be covered as provided in, and shall be subject to, the remaining Limit of Liability applicable to the appropriate **Coverage Section(s)**. However, the remaining Limit of Liability of the applicable **Coverage Section(s)** for such **Claim** shall be reduced by the amount of **Damages** paid under the Employment Practices Liability **Coverage Section**.

In the event a **Claim** is covered under more than one **Coverage Section**, and the Employment Practices Liability Insurance **Coverage Section** does not apply, then the highest remaining applicable Limit of Liability, at the time the **Claim** is first made, shall apply.
- D. **Costs of Defense** shall be separate and in addition to the applicable Limits of Liability stated in Item 4. of the Declarations. Payment of **Costs of Defense** shall not reduce the applicable Limits of Liability stated in Item 4. of the Declarations.
- E. The applicable Deductible amount stated in Item 5. of the Declarations shall be borne by the **Named Insured** and shall apply to each and every **Claim**. The applicable Deductible shall not apply to **Damages**, but shall only apply to **Costs of Defense**. In the event a **Claim** is covered under more than one **Coverage Section** or multiple parts of one **Coverage Section**, the largest applicable Deductible shall apply.
- F. If the **Insurer** advances any **Costs of Defense** within the applicable Deductible, the **Named Insured** shall, upon written demand, reimburse the **Insurer** for such amounts within 30 days. If the **Named Insured** fails to pay the applicable Deductible, then all **Insureds** shall be jointly and severally obligated to pay the Deductible. Any funds so advanced by the **Insurer** shall serve to reduce the Limit of Liability to the extent that they are not repaid to the **Insurer**. If the **Insurer** brings suit to collect the Deductible, then the **Insured** responsible to pay the applicable Deductible also shall pay the legal fees, costs and expenses incurred by the **Insurer** to collect the Deductible.

VI. Defense, Cooperation and Settlements

- A. An **Insured** shall not admit liability, enter into any settlement agreement, stipulate to any judgment, agree to arbitration, or incur **Costs of Defense** without the **Insurer's** prior written consent. The **Insurer's** consent shall not be unreasonably withheld, provided that the **Insurer** shall be entitled to full information and all particulars it may request in order to reach a decision regarding such consent. Any **Loss** incurred and settlements agreed to prior to the **Insurer** giving its consent shall not be covered hereunder.
- B. The **Insurer** shall have the right and the duty to defend any **Claim** for **Damages** which are covered by this **Policy**. The **Insurer's** right and duty to defend any **Claim** shall end when the applicable Limits of Liability stated in Item 4. of the Declarations has been exhausted by the payment of **Damages**, or has been tendered to, or on behalf of, the **Insured** or to a court of competent jurisdiction. The **Insurer** has no obligation to provide **Costs of Defense** for any **Claim** for **Damages** not covered by this **Policy**.
- C. Each **Insured** shall cooperate with the **Insurer** in the defense and settlement of any **Claim**, and in enforcing any right of contribution or indemnity against any person or organization that may be liable to the **Insured**, at no cost to the **Insurer**. Upon the request of the **Insurer**, the **Insured** shall submit to examination and interrogation, under oath if required by a representative of the **Insurer**, and shall attend hearings, depositions and trials, assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, as well as giving written statements to the **Insurer's** representatives, and meeting with such representatives for purposes of investigation or defense, all without charge to the **Insurer**.
- D. The **Insurer** shall not settle any **Claim** without the **Named Insured's** consent. If, however, the **Named Insured** shall refuse to consent to any settlement recommended by the **Insurer**, which is acceptable to the claimant, and shall elect to contest the **Claim**, or continue any civil, criminal, administrative, or arbitration proceedings in connection with such **Claim**, then the **Insurer's** liability for the **Claim** shall be the amount for which the **Claim** could have been settled, including **Costs of Defense** incurred up to the date of such refusal, and 70 percent of such **Loss** excess of the amount for which the **Claim** could have been settled. It is a condition of this insurance that the remaining 30 percent of such **Loss** shall be borne by the **Insureds** at their own risk. Such amounts are subject to the provisions of section V. of the Common Policy Terms and Conditions Section of this **Policy**.

VII. Notice of Claim and Multiple Claims

- A. As a condition precedent to their rights under this **Policy**, an **Insured** shall give the **Insurer** written notice of any **Claim** as soon as practicable, but in no event later than 90 days after such **Claim** is first made.
- B. If during the **Policy Period** or any Extended Reporting Period(s) that may apply the **Insureds** become aware of any fact, circumstance or situation which may reasonably be expected to give rise to a **Claim** being made against any **Insured** and shall give written notice to the **Insurer**, as soon as practicable (but prior to the expiration of or cancellation of the **Policy**), of:
 - 1. the specific fact, circumstance or situation, with full details as to dates, persons, and entities involved; and
 - 2. the injury or damages which may result therefrom; and
 - 3. the circumstances by which the **Insured** first became aware thereof;then any **Claim** subsequently made arising out of such fact, circumstance or situation shall be deemed to have been made when notice was first given to the **Insurer**.
- C. All **Claims** based upon or arising out of the same **Wrongful Act** or any **Related Wrongful Acts**, or one or more series of any similar, repeated or continuous **Wrongful Acts** or **Related Wrongful Acts**, shall be considered a single **Claim**. Each **Claim** shall be deemed to be first made at the earliest of the following times:
 - 1. when the earliest **Claim** arising out of such **Wrongful Act** or **Related Wrongful Acts** is first made, or
 - 2. when notice pursuant to section VII. B. above of a fact, circumstance or situation giving rise to such **Claim** is given.
- D. In addition to furnishing the notice as provided in sections VII. A. and VII. B. above, the **Insureds** shall give the **Insurer** such information and cooperation as it may reasonably require and shall, as soon as practicable, furnish the **Insurer** with copies of reports, investigations, pleadings and other papers in connection therewith.

VIII. General Conditions

A. Termination of Policy and Non-Renewal

1. This **Policy** shall terminate at the earliest of the following times:
 - a. upon the receipt by the **Insurer** of written notice of cancellation from the **Named Insured**;
 - b. upon expiration of the **Policy Period** as set forth in Item 2. of the Declarations;
 - c. at such other time as may be agreed between the **Named Insured** and the **Insurer**; or
 - d. upon written notice by the **Insurer** of cancellation for non-payment of premium.
2. The **Insurer** may not cancel this **Policy** except for non-payment of any premium when due. The **Insurer** shall provide at least 20 days written notice to the **Named Insured** prior to any cancellation for non-payment of any premium.
3. If this **Policy** is cancelled by the **Named Insured**, the **Insurer** shall retain the customary short rate proportion of the premium herein. Payment or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.
4. If the **Insurer** decides not to renew this **Policy**, the **Insurer** shall provide written notice to the **Named Insured** at least 60 days prior to the end of the **Policy Period**. The notice shall include the reason for such non-renewal.
5. Any notices to be given to the **Named Insured** under this section VIII. shall be provided to the **Named Insured** at the last known principal address and to its insurance agent or broker. The mailing by certified mail of such notice shall be sufficient.

B. Proposal

The **Proposal** is the basis of this **Policy** and is incorporated in and constitutes a part of this **Policy**. A copy of the Proposal Form(s) is attached hereto. Any material submitted with the Proposal Form(s) shall be maintained on file with the **Insurer** and shall be deemed to be attached hereto as if physically attached. It is agreed by the **Insureds** that the statements in the **Proposal** are their representations, that they are material and that this **Policy** is issued in reliance upon the truth of such representations. With respect to such statements and representations, no knowledge or information possessed by any **Insureds** shall be imputed to any other **Insureds**.

If any person or persons knew as of the **Policy** inception date that such declarations and statements contained in the Proposal Form(s) were untrue, inaccurate or incomplete, then this **Policy** will be void as to that person or persons.

However, if the Chairperson of the Board of Directors, President, Chief Executive Officer, or Executive Director of the **Insured Entity** knew as of the **Policy** inception date that such declarations and statements contained in the Proposal Form(s) were untrue, inaccurate or incomplete, then this **Policy** will be void as to that person or persons and the **Insured Entity**.

C. Action Against the Insurer

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

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**. No person or organization shall have any right under this **Policy** to join the **Insurer** as party to any action against the **Insureds** to determine the **Insureds'** liability, nor shall the **Insurer** be impleaded by the **Insureds** or their legal representatives. Bankruptcy or insolvency of the **Insureds** or of their estates shall not relieve the **Insurer** of any of its obligations hereunder.

D. Changes in Exposure

If during this **Policy Period** the **Named Insured** shall consolidate or merge with or into, or sell all or substantially all of its assets to any other person or entity or group of persons and/or entities acting in concert (herein referred to as "Transaction") then, this **Policy** shall continue in full force and effect as to any **Wrongful Acts** fully occurring prior to the Transaction, but there shall be no coverage afforded by any provision of this **Policy** for any actual or alleged **Wrongful Acts** occurring after the Transaction. This **Policy** may not be cancelled following a Transaction and the entire premium for this **Policy** shall be deemed fully earned as of the Transaction. The **Named Insured** shall give the **Insurer** written notice of the Transaction as soon as practicable but not later than 30 days after the Transaction.

E. Subrogation

In the event of any payment under this **Policy**, the **Insurer** shall be subrogated to the extent of such payment to all the **Insureds'** rights of recovery thereof, and the **Insureds** shall execute all papers required and shall do everything that may be necessary to secure such rights including the execution of such documents necessary to enable the **Insurer** to effectively bring suit in the name of the **Insureds**. In no event, however, shall the **Insurer** exercise its rights of subrogation against an **Insured** under this **Policy** unless such **Insured** has been convicted of a criminal act, or been judicially determined to have committed a deliberate fraudulent act, or obtained any profit or advantage to which such **Insured** was not legally entitled.

F. Assignment

This **Policy** and any and all rights hereunder are not assignable without the written consent of the **Insurer**.

G. Entire Agreement

By acceptance of this **Policy**, the **Insureds** and the **Insurer** agree that this **Policy** and any written endorsements attached hereto constitute the entire agreement between the parties.

H. Representation by Named Insured

It is agreed that the **Named Insured** shall act on behalf of its **Subsidiaries** and all **Insureds** with respect to the giving and receiving of notices, the payment of premiums and the receiving of any return premiums that may become due under this **Policy**, the receipt and acceptance of any endorsements issued to form a part of this **Policy** and the exercising or declining to exercise any right to an Extended Reporting Period.

I. Coverage Territory

This **Policy** applies to any **Wrongful Act** taking place anywhere in the world.

In witness whereof, the **Insurer** has caused this **Policy** to be signed by its President and Chief Executive Officer and Executive Vice President and Secretary, but this **Policy** shall not be valid unless countersigned on the Declarations Page by a duly authorized representative of the **Insurer**.



President and Chief Executive Officer



Executive Vice President and Secretary

Carolina Casualty Insurance Company

Directors, Officers and Organization Liability Insurance
Coverage Section

This is a Claims Made Policy. Please read it carefully.

CLAIMS MADE WARNING FOR POLICY

NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO ANY "CLAIM" FIRST MADE AGAINST THE INSUREDS AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.

PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium, in reliance on all statements in the **Proposal** and all other information provided to the **Insurer**, and subject to all provisions of this **Policy**, the **Insurer** and **Insureds** agree as follows:

I. Insuring Agreement

Directors, Officers and Organization Liability Insurance

This **Policy** shall pay on behalf of the **Insureds** all **Loss** arising from any **Claim** first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in writing during the **Policy Period** or within 90 days thereafter, for any **Wrongful Act**.

II. Extended Reporting Period

Refer to Common Policy Terms and Conditions Section.

III. Additional Definitions

In addition to the Definitions listed in section III. of the Common Policy Terms and Conditions Section, whenever printed in boldface type, and whether in the singular or plural form, in this **Coverage Section** the following terms shall have the meanings indicated below.

- A. "**Claim(s)**" means a written demand for monetary or non-monetary relief including, but not limited to, a civil, criminal, administrative, or arbitration proceeding; provided, however, the term **Claim** shall not include any grievance or arbitration subject to a collective bargaining agreement. A **Claim** shall be deemed to have been first made at the time notice of the **Claim** is first received by any **Insured**.
- B. "**Costs of Defense**" means reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond) resulting solely from the investigation, adjustment, defense and appeal of a covered or potentially covered **Claim** against the **Insureds**, but excluding salaries, wages, overhead or benefit expenses associated with any **Insured**, or any amount covered by the duty to defend obligation of any other insurer.
- C. "**Damages**" means a monetary judgment, award or settlement, pre-judgment interest and post-judgment interest; provided, however, **Damages** shall not include:
1. taxes, civil or criminal fines, or penalties imposed by law, or
 2. costs incurred by any **Insured** to make any building or property more accessible or accommodating to any disabled person, or
 3. commissions, bonuses, profit sharing or severance payments, or
 4. any matter deemed uninsurable under the law pursuant to which this **Policy** shall be construed.

Damages also means, where insurable, liquidated, punitive, or exemplary damages, or any multiplied damages award in excess of the amount so multiplied. Such coverage for liquidated, punitive, exemplary or multiplied damages is part of and not in addition to the Limit of Liability, and any payment of such damages shall serve to reduce the Limit of Liability. Only for the purpose of resolving any dispute between the **Insurer** and the **Insured** regarding whether such liquidated, punitive, exemplary or multiplied damages are insurable under this **Policy**, the law of the jurisdiction most favorable to the insurability of those damages shall control, provided that such jurisdiction is where:

1. those damages were awarded or imposed, or
2. any **Wrongful Act** occurred for which such damages were awarded or imposed, or
3. the **Insured** resides, is incorporated or has its principal place of business, or
4. the **Insurer** is incorporated or has its principal place of business.

- D. **"Insured Person(s)"** means any past, present or future duly elected or appointed directors, trustees, officers, employees (including part time, seasonal and temporary individuals), volunteers, or committee or staff members of the **Insured Entity**. In the event that the **Insured Entity** operates outside the United States, then the term **Insured Persons** also means those titles, positions or capacities in such foreign **Insured Entity** which is equivalent to the position of a director, trustee or officer in an entity incorporated within the United States. Coverage will automatically apply to all new **Insured Persons** after the **Policy** inception date.
- This **Coverage Section** shall cover **Loss** arising from a **Claim** made against the estates, heirs, or legal representatives of deceased **Insured Persons**, and the legal representatives of **Insured Persons** in the event of incompetency, insolvency or bankruptcy, who were **Insured Persons** at the time the **Wrongful Act** upon which such **Claims** are based were committed.
- This **Coverage Section** shall cover **Loss** arising from a **Claim** made against the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) of an individual **Insured Person** for a **Claim** arising solely out of his or her status as the spouse of an individual **Insured Person**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by the individual **Insured Person** and the spouse, or property transferred from the individual **Insured Person** to the spouse; provided, however, this extension shall not afford coverage for any **Claim** for any **Wrongful Act** of the spouse, but shall apply only to **Claims** arising out of any **Wrongful Act** of an individual **Insured Person**.
- E. **"Insured(s)"** means any **Insured Person** or any **Insured Entity**.
- F. **"Loss"** means **Damages** and **Costs of Defense**.
- G. **"Outside Entity"** means:
1. a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code of 1986, including amendments thereto, or
 2. any other entity organized for a religious or charitable purpose under any nonprofit organization act or statute, or
 3. any other entity, partnership, joint venture or other organization listed by endorsement to this **Policy**.
- H. **"Personal Injury"** means any actual or alleged defamation, invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, infringement of copyright or trademark, unauthorized use of title, plagiarism, or misappropriation of ideas.
- I. **"Related Wrongful Act(s)"** means **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.
- J. **"Wrongful Act(s)"** means:
1. with respect to individual **Insured Persons**, any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act by the **Insured Persons** of an **Insured Entity** in their respective capacities as such, or any matter claimed against them by reason of their status as **Insured Persons** of an **Insured Entity**, or any matter claimed against them arising out of their serving as a director, officer, trustee, or governor of an **Outside Entity** in such capacities, but only if such service is at the specific request or direction of the **Insured Entity**, or
 2. with respect to an **Insured Entity**, any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act by the **Insured Entity**, or
 3. any **Personal Injury**.

IV. Additional Exclusions

In addition to the Exclusions listed in section IV. of the Common Policy Terms and Conditions Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with a **Claim** made against any **Insured**:

- A. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving the gaining of any profit or advantage to which an **Insured** was not legally entitled; provided, however, this exclusion shall not apply unless a judgment or other final adjudication adverse to any of the **Insureds** in such **Claim** shall establish that such **Insureds** gained such profit or advantage to which an **Insured** was not legally entitled;
- B. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any criminal or deliberate fraudulent act; provided, however, this exclusion shall not apply unless a judgment or other final adjudication adverse to any of the **Insureds** in such **Claim** shall establish that such **Insureds** committed such criminal or deliberate fraudulent act;
- C. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving payments to an **Insured** of any remuneration without the previous approval of the governing bodies of the **Insured Entity**, which payment without such previous approval shall be held to have been illegal; provided, however, this exclusion shall not apply unless a judgment or other final adjudication adverse to any of the **Insureds** in such **Claim** shall establish that such **Insureds** received such payments;

Carolina Casualty Insurance Company

[Provided, however, that with respect to Additional Exclusions A., B. and C., the **Insurer** will provide a defense for any such **Claims**, without any liability by the **Insurer** to pay such sums that any **Insured** shall become legally obligated to pay as **Damages**.]

- D. for:
1. physical injury to or destruction of any tangible property, including the loss of use thereof, or
 2. bodily injury, sickness, disease, death, assault or battery of any person;
- E. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violation of the Employee Retirement Income Security Act of 1974, including amendments thereto;
- F. by, on behalf of, or in the right of the **Insured Entity** in any capacity; provided, however, this exclusion does not apply to any **Claim** that is a derivative action brought or maintained on behalf of the **Insured Entity**, but only if such **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or participation of, or intervention of any **Insured**;
- G. which is insured in whole or in part by another valid policy, except with respect to any excess beyond the amount or amounts of coverage under such other policy whether such other policy is stated to be primary, contributory, excess, contingent or otherwise;
- H. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any **Wrongful Act** of the **Insured Persons** serving in their capacities as directors, officers, trustees, employees, members or governors of any other entity other than an **Insured Entity** or an **Outside Entity**, or by reason of their status as directors, officers, trustees, employees, members or governors of such other entity;
- I. for any **Wrongful Act** arising out of an **Insured** serving as a director, officer, trustee, employee, member or governor of an **Outside Entity**:
1. if such **Claim** is brought by the **Outside Entity** or any of its directors or officers, or by any security holder of the **Outside Entity**, whether directly or derivatively, unless such security holder's **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or participation of, or intervention of the **Outside Entity**, any of its Directors or officers, or any **Insured**, or
 2. if such **Wrongful Act** occurred prior to the inception date of the first Nonprofit Directors, Officers and Organization Liability Insurance Policy issued by the **Insurer** to the **Named Insured**, which has been continuously renewed and maintained in effect to the inception of this **Policy Period**, or
 3. to the extent such **Insured** is indemnified for such **Loss** by such **Outside Entity**, and (if applicable) which is insured in whole or in part under any policy issued to or for the benefit of any **Outside Entity** or its directors or officers, then this **Policy** shall apply only to **Loss** excess over such indemnification and insurance (if applicable);
- J. based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any past, present or future actual or potential employment relationship;
- K. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
1. any **Wrongful Act** alleged in any claim which has been reported, or in any circumstance of which notice has been given, prior to the **Policy Period** under any other policy, or
 2. any other **Wrongful Act** whenever occurring, which together with a **Wrongful Act** which has been the subject of such claim or notice, would constitute **Related Wrongful Acts**;
- L. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any federal, state, local or foreign wage and hour laws, including, without limitation, the Fair Labor Standards Act;
- M. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged breach of any oral or written contract or agreement; provided, however, this exclusion shall not apply to any **Claim** made against any **Insured Person** or to the extent that an **Insured Entity** would have been liable in the absence of the contract or agreement.

[The **Wrongful Act** of an **Insured** shall not be imputed to any other **Insured** for the purpose of determining the applicability of the Exclusions.]

V. Changes in Exposure

A. Acquisition or Creation of a Subsidiary

If during this **Policy Period** the **Insured Entity** forms or acquires a **Subsidiary**, then this **Policy** shall provide coverage pursuant to this **Coverage Section**:

1. automatically for an entity whose assets total less than 35 percent of the total consolidated assets of the **Insured Entity** as of the **Policy** inception date, or
2. for an entity whose total assets are equal to or greater than 35 percent of the total consolidated assets of the **Insured Entity** as of the **Policy** inception date, but only upon the condition that within 90 days of it becoming a **Subsidiary**, the **Named Insured** shall have provided the **Insurer** with full particulars of the new **Subsidiary** and agreed to any additional premium and/or amendment of the provisions of this **Policy** required by the **Insurer** relating to such new **Subsidiary**. Further, coverage as shall be afforded to the new **Subsidiary** is conditioned upon the **Named Insured** paying when due any additional premium required by the **Insurer** relating to such new **Subsidiary**.

An entity becomes a **Subsidiary** when the **Insured Entity** has or controls the right to elect or appoint more than 50 percent of the Board of Directors (or other governing body) either directly or indirectly through one or more of its **Subsidiaries**. An entity ceases to be a **Subsidiary** when the **Insured Entity** ceases to control the right to elect or appoint more than 50 percent of the Board of Directors (or other governing body) either directly or indirectly through one or more of its **Subsidiaries**.

In all events, coverage afforded pursuant to this **Coverage Section** with respect to a **Claim** made against a **Subsidiary** shall only apply for **Wrongful Acts** committed or allegedly committed after the effective time that such **Subsidiary** became a **Subsidiary** and prior to the time that such **Subsidiary** ceased to be a **Subsidiary**.

In witness whereof, the **Insurer** has caused this **Policy** to be signed by its President and Chief Executive Officer and Executive Vice President and Secretary, but this **Policy** shall not be valid unless countersigned on the Declarations Page by a duly authorized representative of the **Insurer**.



President and Chief Executive Officer



Executive Vice President and Secretary

Carolina Casualty Insurance Company

Employment Practices Liability Insurance
Coverage Section

This is a Claims Made Policy. Please read it carefully.

CLAIMS MADE WARNING FOR POLICY

NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO ANY "CLAIM" FIRST MADE AGAINST THE INSUREDS AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.

PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium, in reliance on all statements in the **Proposal** and all other information provided to the **Insurer**, and subject to all provisions of this **Policy**, the **Insurer** and **Insureds** agree as follows:

I. Insuring Agreement

Employment Practices Liability Insurance

This **Policy** shall pay on behalf of the **Insureds** all **Loss** arising from any **Claim** first made against the **Insureds** during the **Policy Period** and reported to the **Insurer** in writing during the **Policy Period** or within 90 days thereafter, for any **Wrongful Act**.

II. Extended Reporting Period

In addition to section II. Extended Reporting Period of the Common Policy Terms and Conditions Section, the following shall apply:

If the **Named Insured** cancels or refuses to renew this **Coverage Section**, then without any additional premium being required, there shall be an automatic extension of the coverage granted by this **Coverage Section** with respect to any **Claim** first made and reported during the period of 36 months after the date upon which the **Policy Period** ends, but only with respect to any **Wrongful Act** of any duly elected or appointed director or officer that was an **Insured**, but who did not serve as a duly elected or appointed director or officer at the time of the cancellation or non-renewal, fully occurring prior to the end of the **Policy Period** and otherwise covered by this **Coverage Section** and only if there is no other policy or policies that would otherwise provide insurance for such **Wrongful Act**. This 36 month period shall be referred to as the Automatic Extended Reporting Period for former directors and officers.

III. Additional Definitions

In addition to the Definitions listed in section III. of the Common Policy Terms and Conditions Section, whenever printed in boldface type, and whether in the singular or plural form, in this **Coverage Section** the following terms shall have the meanings indicated below.

- A. "**Claim(s)**" means a written demand for monetary or non-monetary relief or an administrative or regulatory investigation or proceeding commenced by or before a federal, state, local or foreign agency; provided, however, the term **Claim** shall not include any grievance or arbitration subject to a collective bargaining agreement. A **Claim** shall be deemed to have been first made at the time notice of the **Claim** is first received by any **Insured**.
- B. "**Costs of Defense**" means reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond) resulting solely from the investigation, adjustment, defense and appeal of a covered or potentially covered **Claim** against the **Insureds**, but excluding salaries, wages, overhead or benefit expenses associated with any **Insured**, or any amount covered by the duty to defend obligation of any other insurer.
- C. "**Damages**" means a monetary judgment (including back pay and front pay), award or settlement, pre-judgment interest and post-judgment interest; provided, however, **Damages** shall not include:
 - 1. taxes (provided, however, that the **Insurer** will reimburse an **Insured Entity** for any employer share of payroll taxes on any portion of damages or settlements which constitute back pay otherwise considered **Damages**), civil or criminal fines, or penalties imposed by law, or
 - 2. payment of insurance, disability, pension, health or other plan benefits claimed by or on behalf of any former or current **Employee**, or that a claimant would have been entitled to as an **Employee** had the **Insured Entity** provided the claimant with a continuation of insurance, or
 - 3. costs incurred by any **Insured** to make any building or property more accessible or accommodating to any disabled person, or
 - 4. commissions, bonuses, profit sharing or severance payments, or
 - 5. future wages or benefits of any reinstated **Employee** or wages or benefits associated with the continued employment of an **Employee**, or
 - 6. any matter deemed uninsurable under the law pursuant to which this **Policy** shall be construed.

Damages also means, where insurable, liquidated, punitive, or exemplary damages, or any multiplied damages award in excess of the amount so multiplied. Such coverage for liquidated, punitive, exemplary or multiplied damages is part of and not in addition to the Limit of Liability, and any payment of such damages shall serve to reduce the Limit of Liability. Only for the purpose of resolving any dispute between the **Insurer** and the **Insured** regarding whether such liquidated, punitive, exemplary or multiplied damages are insurable under this **Policy**, the law of the jurisdiction most favorable to the insurability of those damages shall control, provided that such jurisdiction is where:

1. those damages were awarded or imposed, or
2. any **Wrongful Act** occurred for which such damages were awarded or imposed, or
3. the **Insured** resides, is incorporated or has its principal place of business, or
4. the **Insurer** is incorporated or has its principal place of business.

D. **"Employee"** means:

1. an individual whose labor or service is engaged by and directed by an **Insured Entity**, including part-time, leased, seasonal and temporary individuals, or
2. an individual who is a volunteer, intern, committee or staff member or independent contractor for the **Insured Entity**, but only if the **Insured Entity** provides indemnification to such individual in the same manner as that provided to the **Insured Entity's** employees.

An individual's employment status shall be determined as of the date of the **Wrongful Act**.

E. **"Harassment"** means unwelcome sexual or non-sexual advances, requests for sexual or non-sexual favors or other verbal, visual or physical conduct of a sexual or non-sexual nature that:

1. is explicitly or implicitly made a condition of employment, or
2. are used as a basis for employment decisions, or
3. create a work environment that interferes with performance.

Harassment also means assault or battery, but only if related to a charge of sexual harassment.

F. **"Insured(s)"** means:

1. any director, trustee, officer, or **Employee** of an **Insured Entity** while acting solely within the course and scope of employment with the **Insured Entity**, or
2. an **Insured Entity**.

This **Coverage Section** shall cover **Loss** arising from a **Claim** made against the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) of an individual **Insured** for a **Claim** arising solely out of his or her status as the spouse of an individual **Insured**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by the individual **Insured** and the spouse, or property transferred from the individual **Insured** to the spouse; provided, however, this extension shall not afford coverage for any **Claim** for any **Wrongful Act** of the spouse, but shall apply only to **Claims** arising out of any **Wrongful Act** of an individual **Insured**.

G. **"Loss"** means **Damages** and **Costs of Defense**.

H. **"Related Wrongful Act(s)"** means **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.

I. **"Wrongful Act(s)"** means any actual or alleged:

1. act by an **Insured** arising from an actual or potential employment relationship with the claimant for discrimination or **Harassment** because of race, color, religion, age, sex, disability, pregnancy, national origin, sexual orientation, marital status, or any other basis prohibited by law which results in termination of the employment relationship, or demotion or failure or refusal to hire or promote, or failure to accommodate an **Employee** or potential **Employee**, or denial of an employment privilege, or the taking of any adverse or differential employment action, or
2. act by an **Insured** arising from an actual or potential employment relationship with the claimant for sexual **Harassment** including unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature that is made a condition of employment, is used as a basis for employment decisions, or creates an intimidating, hostile or offensive work environment that interferes with work performance, or
3. act by an **Insured** arising from an actual or potential employment relationship with the claimant for termination, constructive discharge, wrongful failure to hire, wrongful demotion, negligent retention, negligent supervision, negligent hiring, retaliation, misrepresentation, infliction of emotional distress, defamation, invasion of privacy, humiliation, wrongful evaluation, or breach of any implied contract or implied agreement relating to employment, whether arising out of any personnel manual, policy statement or oral representation, or

4. discrimination, sexual harassment or violation of any natural person's civil rights relating to such discrimination or sexual harassment, but only if such **Wrongful Act** is alleged to have been committed by an **Insured** and relates to a customer(s), client(s) or other natural person(s), other than an **Employee** or applicant for employment, with the **Insured Entity**.

IV. Additional Exclusions

In addition to the Exclusions listed in section IV. of the Common Policy Terms and Conditions Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with a **Claim** made against any **Insured**:

- A. for:
 1. physical injury to or destruction of any tangible property, including the loss of use thereof, or
 2. bodily injury, sickness, disease, and death; provided, however, this exclusion shall not apply to the following personal injury damages or causes of action in connection with a **Claim** for a **Wrongful Act** for: emotional distress, mental anguish, defamation, invasion of privacy or humiliation;
- B. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violation of the Employee Retirement Income Security Act of 1974, including amendments thereto;
- C. for any actual or alleged breach of any oral or written contract or agreement; provided, however, this exclusion shall not apply to any **Claim** for any actual or alleged breach of any implied contract or implied agreement relating to employment, whether arising out of any personnel manual, policy statement or oral representation;
- D. which is insured in whole or in part by another valid policy, except with respect to any excess beyond the amount or amounts of coverage under such other policy whether such other policy is stated to be primary, contributory, excess, contingent or otherwise;
- E. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
 1. any **Wrongful Act** alleged in any claim which has been reported, or in any circumstance of which notice has been given, prior to the **Policy Period** under any other policy, or
 2. any other **Wrongful Act** whenever occurring, which together with a **Wrongful Act** which has been the subject of such claim or notice, would constitute **Related Wrongful Acts**;
- F. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violation of the Worker's Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, the National Labor Relations Act, including amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law; provided, however, this exclusion shall not apply to any **Claim** for any actual or alleged retaliatory treatment of the claimant by the **Insured** on account of the claimant's exercise of rights pursuant to any such law;
- G. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged obligations under any workers' compensation, social security, disability benefits, or unemployment compensation law, including amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law; provided, however, this exclusion shall not apply to any **Claim** for any actual or alleged retaliatory treatment of the claimant by the **Insured** on account of the claimant's exercise of rights pursuant to any such law;
- H. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any federal, state, local or foreign wage and hour laws, including, without limitation, the Fair Labor Standards Act; provided, however, this exclusion shall not apply to any **Claim** for any actual or alleged retaliatory treatment of the claimant by the **Insured** on account of the claimant's exercise of rights pursuant to any such law or amounts owed under the Equal Pay Act of 1963.

V. Changes in Exposure

A. Acquisition or Creation of a Subsidiary

If during this **Policy Period** the **Insured Entity** forms or acquires a **Subsidiary**, then this **Policy** shall provide coverage pursuant to this **Coverage Section**:

1. automatically for an entity whose assets total less than 35 percent of the total consolidated assets of the **Insured Entity** as of the **Policy** inception date, or
2. for an entity whose total assets are equal to or greater than 35 percent of the total consolidated assets of the **Insured Entity** as of the **Policy** inception date, but only upon the condition that within 90 days of it becoming a **Subsidiary**, the **Named Insured** shall have provided the **Insurer** with full particulars of the new **Subsidiary** and agreed to any additional premium and/or amendment of the provisions of this **Policy** required by the **Insurer** relating to such new **Subsidiary**. Further, coverage as shall be afforded to the new **Subsidiary** is conditioned upon the **Named Insured** paying when due any additional premium required by the **Insurer** relating to such new **Subsidiary**.

An entity becomes a **Subsidiary** when the **Insured Entity** has or controls the right to elect or appoint more than 50 percent of the Board of Directors (or other governing body) either directly or indirectly through one or more of its **Subsidiaries**. An entity ceases to be a **Subsidiary** when the **Insured Entity** ceases to control the right to elect or appoint more than 50 percent of the Board of Directors (or other governing body) either directly or indirectly through one or more of its **Subsidiaries**.

In all events, coverage afforded pursuant to this **Coverage Section** with respect to a **Claim** made against a **Subsidiary** shall only apply for **Wrongful Acts** committed or allegedly committed after the effective time that such **Subsidiary** became a **Subsidiary** and prior to the time that such **Subsidiary** ceased to be a **Subsidiary**.

In witness whereof, the **Insurer** has caused this **Policy** to be signed by its President and Chief Executive Officer and Executive Vice President and Secretary, but this **Policy** shall not be valid unless countersigned on the Declarations Page by a duly authorized representative of the **Insurer**.



President and Chief Executive Officer



Executive Vice President and Secretary