



**LAWYERS'
MUTUAL**
INSURANCE COMPANY

BAR ASSOCIATION ERRORS AND OMISSIONS

LIABILITY INSURANCE POLICY

NOTICE

IS A NON-ASSESSABLE CLAIMS-MADE POLICY

This is a "Claims-Made" policy. The coverage afforded by a "Claims-Made" policy is generally limited to claims arising from the performance of professional services which are first made against the association and reported to the Company while the policy is in force. A "Claims-Made" policy does not generally provide coverage for claims first made against the association or reported to the Company after the expiration of the policy even if the acts or omissions on which the claim is predicated occurred, or are alleged to have occurred, while the policy was in force. Please review the policy carefully and contact the Company if you have any questions regarding the coverage thereunder.

IMPORTANT

The policy contained herein does not become effective unless a **DECLARATIONS** insert ("Declarations") is issued to form a part hereof.

In consideration of the undertaking of the Named Insured to pay, when due, the premium and the deductible, if any, as described herein and in the amounts stated in the Declarations, in reliance upon the statements in the application made a part hereof, and subject to the limits of liability shown in the Declarations, and subject to all the terms of this insurance, the Company agrees with the Named Insured as follows:

THE INSURED

The unqualified word "Insured," whenever used in this policy means:

- (a) the association designated in the Declarations as the Named Insured;
- (b) any person who was, now is or shall be a director, officer, partner or employee of the Named Insured but only while acting within his or her capacity as such;
- (c) any committee, including peer review committee of the Named Insured or committee person thereof performing services for the Named Insured, but only while acting within its, his or her capacity as such;
- (d) any lawyer referral service of the Named Insured;
- (e) the heirs, executors, administrators, assigns and legal representatives of each Insured above in the event of his or her death, incapacity or bankruptcy, but only with respect to the liability of each Insured as is otherwise covered herein.

THE COVERAGE

1. **Errors and Omissions and Directors and Officers Claims Made Clause:** To pay on behalf of the Insured all sums in excess of the deductible amount stated in the Declarations which the Insured shall become legally obligated to pay as Damages as a result of CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD because of:

- (a) any Wrongful Act committed by the Insured or by any person for whose Wrongful Acts the Insured is legally responsible arising out of the conduct of association business or the administration, operation or management of services provided to the Named Insured's membership;
- (b) Personal Injury arising out of Wrongful Acts;
- (c) publisher's liability arising out of infringement of copyright, unfair competition or plagiarism, including the unauthorized use of titles, formats, ideas, characters, plots or other material embodied in any literary properly used, exhibited or published by the Named Insured or advertising activities conducted by the Named Insured.

PROVIDED ALWAYS THAT such Wrongful Act, Personal Injury or publisher's liability as described in paragraph (a), (b) or (c) hereinabove happens:

- (a) during the policy; or
- (b) prior to the Policy Period provided that on the inception date of this policy the Insured has no knowledge of such Wrongful Act, Personal Injury or publisher's liability and there is no prior policy or policies which provide insurance for such liability or claim resulting from such Wrongful Act, Personal Injury or s liability whether or not the available limits of liability of such prior policy or policies are sufficient to pay any liability or claim or whether or not the deductible provisions and limits of such prior policy or policies are different from this policy.

It is condition precedent to coverage under this policy that all claims be reported in compliance with the section **CLAIMS 1: Notice of Claim or Suit**.

2. **Defense, Settlement:** With respect to the insurance afforded by this policy, and subject to the terms of the section LIMITS OF LIABILITY 3. DEDUCTIBLE, the Company shall defend any claim or suit against the Insured seeking damages to which this insurance applies, except as set forth in THE EXCLUSIONS (c) and (e), even if any of the allegations of the suit are groundless, false or fraudulent.

It is further agreed that the Company may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgment or to defend or continue to defend or to reimburse the Insured for reasonable defense expenses for any suit or claim after the application limit of the Company's liability has been exhausted by payment of judgments, settlements, Claim Expenses or Defense Expenses.

Discovery Clause: If during the Policy Period or any Extended Claims Reporting Period elected hereunder the Insured first becomes aware that he or she has committed a specific Wrongful Act, Personal Injury or publisher's liability for which coverage is provided under THE COVERAGE 1, and if the Insured shall during the Policy Period or the Extended Claims Reporting Period elected hereunder give written notice to the Company of:

- (a) the specific Wrongful Act, Personal Injury or publisher's liability; and
- (b) the injury or damage which has or may result from such Wrongful Act, Personal Injury or publisher's liability;
- (c) the circumstances by which the Insured first became aware of such Wrongful Act, Personal Injury or publisher's liability;

then any claim that may subsequently be made against the Insured arising out of such Wrongful Act, Personal Injury or publisher's liability shall be deemed for the purposes of this insurance to have been made during the Policy Period or the Extended Claims Reporting Period elected hereunder.

The Insured shall cooperate fully with the Company as provided under section CLAIMS 1. and 2., and any investigation conducted by the Company or its representative shall be subject to the terms set forth in this policy.

3. **Extended Claims Reporting Period:** If the Company shall cancel or terminate this policy by refusing to renew for reasons other than the Insured's non-payment of premium and/or deductible or non-compliance with the terms and conditions of this policy, then the claims reporting period shall be extended, subject otherwise to the terms, limits of liability, exclusions, conditions of this policy, to apply to CLAIMS FIRST MADE AGAINST THE INSURED DURING TWELVE CALENDAR MONTHS following immediately upon the effective date of such cancellation or non-renewal, but only, by reason of Wrongful Acts, Personal Injuries or publisher's liabilities committed before such applicable termination or expiration date and otherwise covered under this insurance. This twelve-month interval shall be hereinafter referred to as the EXTENDED CLAIMS REPORTING PERIOD.

The quotation of a different premium and or deductible and/or limit of liability for renewal does not constitute a cancellation or refusal to renew for the purpose of this provision.

It is a condition precedent to the continuation of coverage provided under this option that there is no other insurance providing the same or similar coverage. Such other insurance shall render this coverage null and void even though the limits of liability of such other insurance may be inadequate to pay all loss and Claim Expenses, and/or deductible amount and deductible provisions of such other insurance may be different from those of this policy.

THE EXCLUSIONS

This Policy Does Not Apply:

- (a) to any claim based upon or arising out of any dishonest, deliberately fraudulent or criminal Act or omission committed by or at the direction of the Insured; however, notwithstanding the foregoing, the Company will provide a defense up to the limit of liability for any such claims without any liability on the part of the Company to pay such sums as the Insured shall become legally obligated to pay as Damages;
- (b) to any liability for bodily injury, sickness, disease or death of any person, or injury to or destruction of any tangible property or loss of use resulting therefrom, or to the failure of the Insured or any other person to procure or maintain adequate insurance for these exposures;
- (c) to any claim based upon or arising out of discrimination by the Insured on the basis of race, creed, age, sex or marital status;
- (d) to any obligation or liability assumed by the Insured under any contract or agreement; but this exclusion does not apply to those obligations that are a part of the Named Insured's services to its membership;
- (e) to claims arising out of anti-trust, price fixing or restraint of trade; however, notwithstanding the foregoing, the Company will provide a defense up to the limit of liability for any such claims without liability on the part of the Company to pay such sums as the Insured shall become legally obligated to pay as Damages;
- (f) to any claim based upon or arising out of activities where the Insured acts in any capacity as an insurance agent, insurance broker or insurance consultant, except that this exclusion shall not apply to any Wrongful Act, Personal Injury or publisher's liability in connection with any insurance plan sponsored by the Insured;
- (g) to any claim brought by an Insured against any other Insured;
- (h) to any loss or claim based upon the Employee Retirement Income Security Act of 1974, Public Law 93-406, commonly referred to as the Pension Reform Act of 1974, and amendments thereto, or similar provisions of any Federal, State or Local Statutory Law or Common Law.

THE DEFINITIONS

Whenever used in this policy:

"Claim" means:

a demand received by the Insured for money, services or equitable relief, including the service of suit or institution of equitable relief or arbitration proceedings against the Insured.

"Claims Expenses" means:

- (a) fees charged by any Lawyer designated by the Company;
- (b) all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a claim, if incurred by the Company;
- (c) fees charged by any Lawyer designated by the Insured with the written consent of the Company.

However, Claim Expenses do not include salary charges of regular employees or of the officials of the Company or any supervisory counsel retained by the Company.

"Damages" means:

a monetary judgment, award, settlement or prayer for equitable relief and does not include fines, statutory penalties, the restitution of consideration and expenses paid to the Insured for services or goods, or judgments or awards arising from acts deemed uninsurable by law.

"Defense Expenses" means:

all reasonable fees charged by any Lawyer designated by the Insured, including fees, costs and expenses from the investigation, adjustment and appeal of a claim. However, defense expenses do not include salary charges of regular employees or of the officials of the Insured Association.

"Personal Injury" means:

- (a) false arrest, detention or imprisonment, Wrongful entry or eviction or other invasion of private occupancy, malicious prosecution or humiliation, except when maliciously inflicted by, at the direction of, or with the consent or acquiescence of the Insured;
- (b) the publication or utterance of a libel or slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy, except when maliciously published or uttered by, at the direction of, or with the consent of acquiescence of the Insured.

"Policy Period" means:

the period from the inception date of this policy to the policy expiration date as set forth in the Declarations or its earlier termination date, if any.

"Wrongful Act" means:

any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by the Insured.

LIMITS OF LIABILITY

1. **Limit of Liability - Each Claim:** The liability of the Company for each CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD, including the Extended Claims Reporting Period, if exercised, shall not exceed the amount stated in the Declaration for "each claim" and shall include Claim Expenses and Defense Expenses.
2. **Limit of Liability - Policy Aggregate:** Subject to 1. **Limit of Liability - Each Claim**, the liability of the Company shall not exceed the amount stated in the Declarations as "aggregate" as a result of all CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD, including the Extended Claims Reporting Period, if exercised. Such limit of liability shall include Claim Expenses and Defense Expenses.
3. **Deductible:** The deductible amount stated in the Declarations shall be paid by the Named Insured, shall be applicable to each claim and shall include loss payments, Claim Expenses and Defense Expenses, whether or not loss payment is made.

Such amounts shall, upon written demand by the Company, be paid by the Named Insured within 10 days. The total payments requested from the Named Insured in respect of each claim shall not exceed the deductible amount stated in the Declarations.

The determination of the Company as to the reasonableness of the Claim Expenses and/or Defense Expenses shall be conclusive on the Named Insured.

4. **Limit of Liability - Reduction for Refusal to Settle:** The Company shall not settle any claim without the consent of the Insured if, however, the Insured shall refuse to consent to any settlement recommended by the Company and shall elect to contest the claim or continue any legal proceedings in connection with such claim, then the Company's liability for the claim shall not exceed the amount for which the claim could have been so settled plus Claim Expenses incurred up to the date of such refusal. Such amounts are subject to the provisions of the sections LIMITS OF LIABILITY 1. and 2.
5. **Multiple Insureds, Claims and Claimants:** The inclusion herein of more than one Insured or the making of claims or the bringing of suits by more than one person or organization shall not operate to increase the Company's limit of liability. Two or more claims arising out of a Wrongful Act, Personal Injury or publisher's liability or a series of related Wrongful Acts, Personal Injuries or publisher's liabilities shall be treated as a single claim. All such claims, whenever made, shall be considered first made within the Policy Period or the Extended Claims Reporting Period in which the earliest claim arising out of such Wrongful Act, Personal Injury or publisher's liability was first made, and all such claims shall be subject to the same limit of liability.

TERRITORY

Subject to the other terms and conditions of this policy, this policy applies to claims arising out of acts or omissions committed anywhere in the world, if and only if the first suit or arbitration proceeding arising out of such claim is brought in the United States or Canada.

CLAIMS

1. **Notice of Claim or Suit:** As a condition precedent to the Insured's right to the protection afforded by this insurance, the Insured shall, as soon as practicable during the Policy Period give to the Company, written notice directed to the Company's Claims Representative, of any claim made against the Insured.

In the event suit is brought against the Insured, the Insured shall **IMMEDIATELY** forward to the Company every demand, notice, summons or other process received by him or her or by their representatives.

2. **Assistance and Cooperation of the Insured:** The Insured shall cooperate with the Company and upon the Company's request shall submit to examination and interrogation by a representative of the Company, under oath if required, and shall attend hearings, depositions and trials and shall assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits, as well as in the giving of a written statement or statements to the Company's representatives and meeting with such representatives for the purpose of investigation and/or defense, all without charge to the Company's representatives and meeting with such representatives for the purpose of investigation and/or defense, all without charge to the Company. The Insured shall further cooperate with the Company and do whatever is necessary to secure and effect any rights or indemnity, contribution or apportionment which the Insured may have. The Insured shall not, except at his or her own cost, make any payment, admit any liability, settle any claim, assume any obligation or incur any expense without the written consent of the Company.
3. **Subrogation:** In the event of any payment under this policy, the Company shall be subrogated to all the Insured's rights of recovery therefore against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after the claim to prejudice such rights.

The Company shall not exercise any such rights against any persons, firms or corporations included in the definition of the Insured. Notwithstanding the foregoing, however, the Company reserves the right to exercise any rights of subrogation against an Insured in respect of any claim brought about or contributed to by the dishonest, deliberately fraudulent or criminal act or omission of such Insured.

Any amount so recovered shall be apportioned as follows:

Any recovery shall first be used for the repayment of expenses incurred toward subrogation; second, to any loss and expense payments by the Insured in excess of the deductible(s); third, to any loss and expense payments by any excess carrier on behalf of the Insured; fourth, to any loss and expense payments by any primary carrier on behalf of the Insured; and, last, to repayment of the Insured's deductible.

4. **Action Against the Company:** No action shall lie against the Company unless, as a condition precedent thereto, the Insured shall have fully complied with all the terms of this policy nor until the amount of the Insured's obligation to pay shall have been fully and finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Company.

Nothing contained in this policy shall give any person or organization any right to join the Company as a co-defendant in any action against the Insured to determine the Insured's liability. Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Company of any of its obligations hereunder.

5. **False or Fraudulent Claims:** If any Insured shall commit fraud in proffering any claim as regards amount or otherwise, this insurance shall become void as to such Insured from the date such fraudulent claim is proffered.

OTHER CONDITIONS

1. Application

By acceptance of this policy, the Insured agrees that the statements in the application are the Insured's representations, that they shall be deemed material and that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between the Insured and the Company, or any of its agents, relating to this insurance.

2. Other Insurance

Subject to the limitation of coverage as set forth in THE COVERAGE 1, for prior insurance, this insurance shall be in excess of the amount of the applicable deductible of this policy and any other valid and collectible insurance available to the Insured whether such other insurance is stated to be primary, contributory, excess, contingent, pro rata or otherwise, unless such other insurance is written only as a specific excess insurance over the Limits of Liability provided in this policy.

3. Changes

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

4. Assignment

Assignment of interest under this policy shall not bind the Company unless its consent is endorsed hereon.

5. Cancellations

This policy may be cancelled by the Named Insured by surrender thereof to the Company or to any of its authorized agents or by mailing to the aforementioned written notice stating when thereafter such cancellation shall be effective. If cancelled by the Named Insured, the Company shall return to the Named Insured a proportion of the premium determined in accordance with the Company's standard practices. The Company may offset the return premium against sums otherwise due and owing to the Company by the Named Insured.

This policy may be cancelled by the Company by mailing to the Named Insured written notice stating when not less than 30 days thereafter, such cancellation shall be effective. However, if the Company cancels the policy because the Insured has failed to pay premium, this policy may be cancelled by the Company by mailing a written notice of cancellation to the Insured stating when not less than 10 days thereafter, such cancellation shall be effective. The mailing of notice as aforementioned shall be sufficient notice by the Named Insured, the Company, or the authorized agent of the Company shall be equivalent to mailing. If cancelled by the Company returned premium shall be computed pro rata. The Company may offset the return premium against sums otherwise due and owing to the Company by the Named Insured. Premium adjustment may be made at the time cancellation is effected or as soon as practicable thereafter.

6. Declarations

By acceptance of this policy, the Named Insured agrees that statements in the Declarations are his or her agreements and representations that this policy is issued in reliance upon the truth of such representations and that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between the Insured and the Company or any of its agents relating to this insurance.

7. Mutual Policy Condition – Dividends

The Named Insured is a member of the Company and shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors in accordance with the provisions of law, in the distribution of dividends so fixed and determined.

8. **Mutual Policy Condition – Voting**

The Named Insured is a member of the Company and is entitled to vote, either in person or by proxy, at any Annual Meeting or Special Meeting of the members of the Company, pursuant to the Bylaws and Articles of Incorporation thereof.

9. **Nonassessable Policy**

This policy is not assessable.

IN WITNESS WHEREOF LAWYERS' MUTUAL INSURANCE COMPANY has caused this policy to be signed by its President and Secretary at Burbank, California, but the same shall not be binding except in conjunction with a completed Declarations insert issued to the Named Insured to form a part of this policy by a duly authorized representative of the Company.



ANDREW CHICK
President



BRIAN A. RAWERS
Secretary

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WHAT TO DO IN CASE OF A CLAIM

In the event you directly become involved in any situation which you believe may result in a Claim, you should immediately give written report of the details to Lawyers' Mutual Insurance Company.

Mailing Address: Lawyers' Mutual Insurance Company
3110 West Empire Avenue
Burbank, California 91504
Attn: Claims Administrator

Telephone: (818) 565-5512
 (800) 252-2045

All Claims must be reported in writing. TELEPHONE NOTICE IS NOT SUFFICIENT TO CONSTITUTE NOTICE UNDER THE POLICY.