



MARKEL AMERICAN INSURANCE COMPANY
COMPANY SPONSORED INSURANCE AGENTS
PROFESSIONAL LIABILITY INSURANCE POLICY

PLEASE READ THIS ENTIRE POLICY CAREFULLY. CONSULT YOUR BROKER OR OTHER REPRESENTATIVE IF YOU DO NOT UNDERSTAND ANY TERMS OR PROVISIONS OF THIS POLICY.

THIS IS A CLAIMS MADE AND REPORTED POLICY. SUBJECT TO ITS TERMS AND PROVISIONS, THIS POLICY ONLY AFFORDS COVERAGE FOR CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER IN WRITING DURING THE CERTIFICATE PERIOD OR EXTENDED REPORTING PERIOD, IF APPLICABLE.

THIS POLICY PROVIDES INSURANCE TO THE AGENT OR MANAGING AGENT SHOWN IN THE CERTIFICATE OF INSURANCE SUBJECT TO THE MASTER POLICY DECLARATIONS ISSUED TO THE SPONSORING COMPANY.

WORDS OR PHRASES IN BOLD MAY HAVE SPECIAL MEANING. REFER TO SECTION IV – DEFINITIONS.

In consideration of the payment of premiums and in reliance upon the statements contained in the **Application**, which is incorporated into this Policy and forms a part hereof, and subject to the terms, limitations, conditions and exclusions of this Policy, the **Insurer** agrees as follows:

SECTION I – INSURING AGREEMENTS

A. Professional Liability

The **Insurer** shall pay, on behalf of an **Agent**, **Damages** which an **Agent** becomes legally obligated to pay because of a **Claim** that is both made against an **Agent** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section **X** – Notice Of Claim below, or during an Extended Reporting Period, if applicable, for a **Wrongful Act** or **Interrelated Wrongful Act** committed solely in the rendering of or failing to render **Professional Services** by an **Agent**, provided:

1. Such **Wrongful Act** or any **Interrelated Wrongful Act** occurred on or after the **Retroactive Date** and before the end of the **Certificate Period**; and
2. As of the inception date of this Policy as shown in the Master Policy Declarations, or the effective date of the **Agent's** enrollment for coverage hereunder as shown in the Certificate Of Insurance, no **Insured** had knowledge or reasonable basis upon which to anticipate that the **Wrongful Act** or any **Interrelated Wrongful Act** could result in a **Claim**.

SECTION II – DEFENSE AND CLAIM EXPENSES

- A. The **Insurer** shall have the right and duty to defend a **Claim** against an **Insured** seeking **Damages** that is covered by this Policy.
- B. The **Insurer's** right and duty to defend a **Claim**, as well as all other obligations under this Policy, shall terminate when the applicable Limit Of Liability Each Claim is paid by the **Insurer** for **Damages**, regardless of whether a **Claim** continues to proceed against an **Insured**. The **Insurer's** rights and duties to defend all **Claims**, as well as all other obligations under this Policy, shall terminate upon payment of each **Insured** Aggregate Limit Of Liability for **Damages**. In the event that the Limits Of Liability are exhausted by the **Insurer's** payment of **Damages**, then the **Insurer** shall tender the defense to the **Insured**, who will be responsible for continued defense and payment of **Claim Expenses** without recourse to the Policy.
- C. The **Insurer** shall select defense counsel for a **Claim** that is covered by this Policy and pay associated **Claim Expenses**.
- D. In the event that applicable law allows the **Insured** to control selection of defense counsel when a conflict of interest arises between the **Insured** and **Insurer**, the **Insurer** will provide a list of attorneys or law firms from which the **Insured** may designate defense counsel who shall act solely in the interest of the **Insured**, and the **Insured** shall direct such defense counsel to cooperate with the **Insurer**. Such cooperation shall include, without limitation:

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1. Providing on a regular basis, but no less frequently than every 3 months, written reports on alleged **Damages**, potential liability, progress of any litigation or arbitration, any settlement demands and any investigation developments that materially affect the **Claim**;
2. Providing any other reasonable information requested;
3. Submission of itemized billing on a periodic basis at rates which are paid by the **Insurer** to other attorneys or law firms in the jurisdiction where the **Claim** is pending; and
4. Cooperating with the **Insurer** in resolving any discrepancies with respect to the **Claim**.

SECTION III – SETTLEMENT OF CLAIMS

The **Insurer** shall investigate and settle a **Claim** in a manner that it deems appropriate. The **Insurer** shall not settle or compromise a **Claim** without the written consent of an **Insured**. The **Insurer** may, with the consent of an **Insured** against whom a **Claim** is made, make any settlement of such **Claim** against such **Insured** if such **Claim** is covered under a Coverage Part. If the **Insured** withholds consent to any such settlement acceptable to the claimant, then the **Insurer's** liability in regard to such **Claim** shall not exceed the sum of:

- a. The amount for which the **Insurer** could have settled such **Claim**;
- b. **Claim Expenses** accrued as of the date such settlement was proposed in writing by the **Insurer** to the **Insured**; and
- c. Forty percent (40%) of all covered **Damages** and **Claims Expenses** incurred thereafter on account of such **Claim**.

SECTION IV – DEFINITIONS

For purposes of this Policy, the terms in bold type shall have special meanings that are designated below. All other terms shall have those meanings commonly understood by professionals who are engaged in the business of insurance.

A. Agent means an **Insured** person or entity who:

1. Has elected to enroll for coverage under this Policy, either at the inception date of the **Policy Period** or prior to the expiration date of the **Policy Period**, and whose enrollment is on file with the **Insurer**;
2. Is shown as such in a Certificate Of Insurance;
3. Has paid the applicable premium;
4. Is licensed by all necessary federal, state or local governmental authorities to render **Professional Services** where both the **Agent** and client are located; and
5. Is properly registered as a representative of the **Broker/Dealer** with the Financial Industry Regulatory Authority (FINRA), if required for the rendering of **Professional Services**.

B. Application means:

1. The application for this Policy and for any policy issued by the **Insurer**, or any of its affiliates, of which this Policy is a direct or indirect renewal or replacement;
2. Any attachment to any such application;
3. Any other materials submitted with or incorporated into any such application; and
4. Any documents submitted in connection with the underwriting of any such policy.

C. Broker/Dealer means a firm acting as "broker" or "dealer" in **Securities**, as those terms are defined in Sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act of 1934, and any amendments thereto, and which is:

1. Registered with the Securities and Exchange Commission (SEC); and
2. A member of FINRA.

D. Certificate Period means the period of time from the inception date and time shown in the Certificate Of Insurance to the earlier of the expiration date and time shown in the Certificate Of Insurance or the effective date of the termination of this Policy.

E. Claim means a demand received by an **Insured** for **Damages** (including pleadings received in a civil litigation or arbitration) because of an actual or alleged **Wrongful Act**. A **Claim** does not include the following:

1. A demand for declaratory, injunctive or other non-monetary relief;

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2. Any form of criminal proceeding; or
 3. Any proceeding commenced by a governmental or quasi-governmental official or agency or any self-regulatory official or agency, including, but not limited to, any disciplinary proceedings by such official or agency, except if the agency or official is a client of the **Insured** in connection with the rendering of **Professional Services**.
- F. Claim Expenses** means reasonable and necessary amounts incurred by the **Insurer**, or by the **Insured** with the prior written consent of the **Insurer**, in the defense of a **Claim** that is covered under this Policy, including attorneys' fees, costs of investigation, court or arbitration costs and premiums for appeal, attachment or similar bonds. The **Insurer**, however, is not required to provide such bonds. **Claim Expenses** do not include the wages, salaries, fees or costs of the directors, officers, employees, representatives, in-house counsel, agents or servants of any **Insured**.
- G. Damages** means monetary judgments, settlements or awards resulting from a **Claim**. **Damages** do not include the following:
1. Taxes, fines or penalties, unless incurred by a claimant and made part of a **Claim** against an **Insured**;
 2. Punitive or exemplary damages (unless insurable by law at two times compensatory);
 3. The multiplied portion of a multiplied damage award;
 4. The return, restitution, reduction, compromise or refund of commissions, fees or charges;
 5. Costs incurred as a result of non-monetary, declaratory or injunctive relief;
 6. Any matters that are deemed uninsurable under the law; and
 7. **Claim Expenses**.
- H. Insured** means:
1. An **Agent** shown as such in a Certificate Of Insurance;
 2. A corporation, partnership, **Predecessor Firm** or other business entity owned by and in which an **Agent** has an ownership interest, but solely with respect to the liability of such organization as it arises out of an **Agent** rendering of or failing to render **Professional Services**;
 3. A person acting on behalf of an **Agent**, who was or is a partner, officer, director, stockholder or an employee of an **Agent**;
 4. Independent Contractors of an **Agent**, but only with respect to the **Professional Services** of an **Agent**;
 5. Heirs, executors, administrators or legal representatives of an **Agent**, in the event of death, incapacity or bankruptcy;
- I. Insurer** means the insurance company providing this insurance shown in the Master Policy Declarations and Certificate Of Insurance.
- J. Interrelated Wrongful Acts** means any **Wrongful Acts** that are:
1. Similar, repeated or continuous; or
 2. Connected by reason of any common fact, circumstance, situation, transaction, causality, event, decision or policy or one or more series of causally or logically related facts, circumstances, situations, transactions, causalities, events, decisions or policies.
- K. Personal Injury Act** means libel, slander, defamation, disparagement or violation of a right to privacy committed unintentionally during the course of rendering **Professional Services**.
- L. Policy Period** means the period of time from the inception date and time shown in the Master Policy Declarations to the earlier of the expiration date and time shown in the Master Policy Declarations or the effective date and time of the cancellation of this Policy.
- M. Predecessor Firm** means any entity that provided **Professional Services** and, prior to the **Certificate Period**, is dissolved or inactive and is no longer rendering **Professional Services**, and:
1. some or all of such firm's principals, owners, officers, or partners have joined the **Agent** and more than 50% of such firm's assets have been assigned or transferred to the **Agent**; or
 2. at least 50% of the principals, owners, officers, or partners of such firm have joined the **Agent**.

N. Professional Services means:

1. The solicitation, sale or servicing of the following:
 - a. Life insurance, accident and health insurance, disability income insurance and fixed annuities;
 - b. Variable insurance products, including, but not limited to, variable annuities, flexible and scheduled premium annuities and variable life insurance;
 - c. Workers' compensation as part of a 24-hour accident and health insurance product;
 - d. Employee benefit plans funded with those products listed in Subsections 1.a - 1.c or self-funded with reinsurance or stop loss insurance;
 - e. Financial planning, advice and consultation solely in connection with any of the products listed in Subsections 1.a – 1.d;
2. Services rendered as an insurance consultant, including, but not limited to, insurance consulting connected with employee benefit plans;
3. Loss control, risk management, or anti-fraud services rendered in connection with insurance placed through the **Agent**;
4. Acting as a countersigning agent for out-of-state insurance agencies on policies issued within the state of domicile of the **Agent**;
5. Providing insurance class instruction;
6. Services rendered as a notary public;
7. Providing expert witness testimony related to item(s) 1-4 above;

Professional Services shall not include the solicitation, sale or administration of Section 79, 83, 412, 419 Plans or any other plans developed to provide tax deductions and advantages under the Internal Revenue Code, amendments thereto and any regulations promulgated thereunder.

O. Retroactive Date means:

1. With respect to a **Claim** against an **Agent** arising out of or based upon the rendering of or failing to render any **Professional Services**, the earlier of the date of the **Agent's**:
 - a. First continuously renewed life insurance agents professional liability coverage, which was in effect without interruption from the date of the **Wrongful Act** or first **Interrelated Wrongful Act** related to the **Claim** to the date when the **Claim** is first made, subject to submission of proof of such coverage to the **Insurer**; or
 - b. The retroactive date from the declarations page of the agents professional liability policy which this Policy replaces.

P. Securities shall have the same meaning as the term used in the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940 or the Investment Advisors Act of 1940, and any amendments thereto.

Q. Sponsoring Company means the organization shown as such in the Master Policy Declarations, and any **Subsidiary**.

R. Subsidiary means a corporation in which the **Sponsoring Company**:

1. Owns, as of the inception date of the **Policy Period**, more than 50% of the issued and outstanding voting stock either directly or indirectly through one of more **Subsidiaries** and which corporation is engaged in **Professional Services**; or
2. Forms or acquires during the **Policy Period**, if the **Sponsoring Company** owns, directly or indirectly through one or more of its **Subsidiaries**, more than 50% of the issued and outstanding voting stock and which corporation is engaged in **Professional Services**, provided that notice of such formation or acquisition was disclosed to the **Insurer** within a reasonable time for it to consider any changes or modifications to this Policy which may be necessary, including, but not limited to, additional premium. Under no circumstances shall coverage be afforded to the newly acquired **Subsidiary** for a **Claim** arising out of or based upon a **Wrongful Act** committed prior to the date when the **Sponsoring Company** or one or more of its **Subsidiaries** acquired more than 50% of its issued and outstanding voting stock.

S. Wrongful Act means an act, error or omission, including a **Personal Injury Act**, committed by an **Insured** in the rendering of or failing to render **Professional Services** to a client.

SECTION V – EXCLUSIONS

This Policy shall not apply to, and the **Insurer** shall pay neither **Damages** nor **Claim Expenses** for, any **Claim**:

- A. Against an **Insured** by or on behalf of any other **Insured**, any enterprise that owns, operates or controls an **Insured** or any enterprise that an **Insured** owns, operates or controls, except as in its capacity as a client of an **Insured**;
- B. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving:
 - 1. Any **Wrongful Act** alleged in any **Claim** which has been reported, or any circumstance of which notice has been given, prior to the **Policy Period**, or before the effective date of the **Insured's** enrollment for coverage, 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 **Interrelated Wrongful Acts**, regardless of the legal grounds upon which such **Claim** is predicated upon any:
 - a. **Claim**, demand, suit, proceeding or investigation of which the **Insured** had knowledge, pending on or prior to the inception date of the **Policy Period**, or before the effective date of the **Insured's** enrollment for coverage hereunder; or
 - b. Fact, matter, circumstance, situation, transaction or event underlying or alleged in such demand, suit, proceeding, **Claim** or investigation, regardless of the legal grounds upon which such **Claim** is predicated;
- C. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any:
 - 1. Actual or alleged dishonest, purposeful, malicious, fraudulent or criminal act or willful violation of any federal, state or local statute, by, at the direction of or with the knowledge of any **Insured**; or
 - 2. Gaining of profit, remuneration or monetary advantage to which an **Insured** is not legally entitled.

However, the **Insurer** shall continue to defend a **Claim** alleging any of the foregoing conduct until there is a judgment, final adjudication, adverse admission or finding of fact against any **Insured** as to such conduct, at which time the **Insured** shall reimburse the **Insurer** for the costs of defending the **Claim**. Moreover, an actual or alleged dishonest, purposeful, malicious, fraudulent or criminal act or willful violation of any federal, state or local statute of one **Agent** will not be imputed to another **Agent**;

- D. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged conversion, commingling, use, handling, entrustment, safeguarding, inability to pay or failure to pay premiums, funds or any form of money;
- E. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged liability of others assumed by any **Insured** under an agreement, contract, guarantee or warranty unless the **Insured** would be liable in the absence of such agreement, contract, guarantee or warranty;
- F. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged rendering of services as an actuary, accountant, attorney, real estate agent, real estate broker, third-party claims administrator, or expert witness, regardless of whether such services are incidental to the rendering of **Professional Services**; however, this exclusion shall not apply to tax advice provided to a client as a necessary part of rendering **Professional Services**;
- G. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged placement of a client's coverage or funds, directly or indirectly with any organization, entity or vehicle of any kind, nature or structure which is not licensed or authorized to do business in the state or jurisdiction with authority to regulate such business; however, this exclusion shall not apply to a **Claim** based upon or arising out of the placement of insurance or coverage with an eligible surplus lines insurer in the state or jurisdiction with authority to regulate such business;
- H. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged insolvency, receivership, conservatorship, liquidation, bankruptcy, failure or inability to pay of any company, organization, entity, vehicle or arrangement of any nature in which an **Insured** placed, recommended to be placed or obtained coverage or in which an **Insured** placed, recommended to be placed funds or an investment of any nature; however, this exclusion shall not apply to a **Claim** based upon or arising out of the placement, recommendation for placement or obtaining coverage with:
 - 1. an insurance company rated by A.M Best's as B+ or better at the time when coverage is placed, recommended or obtained; or
 - 2. a self-funded health and welfare plan that is backed by reinsurance or stop loss coverage;

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- I. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any pension plan, profit sharing plan, health and welfare or any other employee benefit plan or trust sponsored by an **Insured**, in which an **Insured** is a participant, trustee or named fiduciary;
- J. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving the rendering of, or failure to render Professional Services involving any multiple employer welfare arrangements, multiple employer trusts, or any pension, welfare or other benefit plan, provided that this exclusion will not apply to such plans that are:
 - 1. fully funded by insurance, reinsurance, or annuities issued by an insurance company; or
 - 2. a self-funded health and welfare plan that is backed by reinsurance or stop loss coverage.
- K. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any ownership, formation, operation or administration of any insurance company, risk retention group, or purchasing group;
- L. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged:
 - 1. Unfair competition;
 - 2. Anti-competitive acts;
 - 3. Restraint of trade;
 - 4. Price fixing;
 - 5. Monopolization;
 - 6. Misuse of confidential or proprietary information;
 - 7. Copyright, patent, trade mark or trade secret infringement;
 - 8. Piracy, theft or conversion of ideas, employees, contacts or business methods; or
 - 9. Illegal, improper or deceptive advertisement;
- M. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged actual or alleged discrimination or harassment in any form or manner;
- N. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any failure, malfunction or breakdown of any computers, electrical, electronic or mechanical systems or machines;
- O. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged notarization of documents without authorization or without the signatory's actual presence before an **Insured**;
- P. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged guarantee, promise or warranty as to interest rates, market values, earnings, future values or future premiums or payments in connection with variable life insurance, variable annuities, scheduled premium annuities, mutual funds or **Securities**;
- Q. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any **Securities** (other than variable life insurance, variable annuities and mutual funds) that were not authorized or approved by and actually processed through the **Broker/Dealer**;
- R. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any function of an **Insured** as a specialist or market maker for any **Securities**, an **Insured** failing to make a market for any **Securities**, or the purchase, sale or failure to sell **Securities** when the **Insured** is a specialist or market maker for such **Securities**;
- S. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving an **Insured's** actual or alleged exercise of discretionary authority over a client's assets, funds or liabilities, undertaking of trades or transactions on a discretionary basis or any trading or transactions without the express authority of a client; however, this exclusion shall not apply to an **Insured** providing asset allocation services pursuant to a written contract for a client's account that is funded exclusively with no-load mutual funds, no-load variable annuities, no-load variable life insurance or any investment for which no **Insured** received a commission;
- T. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving:
 - 1. Promissory notes, viatical or life settlements, or any **Securities** backed by either viatical or life settlements;

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2. Commodities, commodity futures and option contracts, except for option contracts that are covered by ownership of the underlying **Securities**, cash or cash equivalent, not including margin;
 3. Any “junk bonds” or “high yield bonds” (for purposes of this exclusion, “junk bonds” or “high yield bonds” mean bonds which, at the time of purchase or sale were unrated or rated as below investment grade by any rating agency, including, but not limited to, Moody’s bonds of Ba or lower or S&P bonds of BB or lower);
 4. Any **Securities** sold exclusively outside of the United States of America or Canada;
 5. Actual, attempted or threatened mergers, acquisitions, divestitures, tender offers, proxy contests, leveraged buy-outs, going private transactions, reorganizations, capital restructuring, recapitalization, fairness opinions, spin-offs, primary or secondary offerings of **Securities** (regardless of whether the offering is a public offering or a private placement) or other efforts to raise or furnish capital or financing for any company, corporation, enterprise or entity or disclosure requirements in connection with any of the foregoing, as well as any other investment banking activities;
 6. Structured settlements; however, this exclusion shall not apply to a **Claim** arising out of or based upon the sale or servicing of the underlying product, if otherwise covered by this Policy; and
 7. Any **Securities** that are wholly or partially owned by any **Insured**;
- U.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving actual or alleged use or disclosure, aiding or abetting use or disclosure or participation after the fact in use or disclosure of non-public or insider information as prohibited by any federal, state or local laws, statutes, regulations or ordinances, including but not limited to, the Insider Trading and Securities Fraud Enforcement Act of 1988, Section 10(b) of the Securities Exchange Act of 1934 and Securities Exchange Commission Rule 10b-5 thereunder;
- V.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving, actual or alleged advice, consultation or recommendations of any type of mortgage, including, but not limited to, a reverse mortgage, regardless of whether an incidental part of the rendering of **Professional Services**; and
- W.** Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving Callable CD’s, ETS/ATM payphones, Debentures, CDO’s, CMO’s, 412(i), 419 Plans, unregistered securities, Medical Capital Note Programs, Desert Capital REIT, Provident Royalties, DBSI Management Products, Black Diamond Program, Shale Royalties, IMH Secured Loan, LLC, Geneva Exchange, LLC/The Geneva Organization, TRX (a gold exploration company stock), GWG L Bond, ARC Hospitality Trust and Exclude GPB Capital Holdings, LLC and/or any company, corporation, parent, subsidiary, partnership or other business entity directly or indirectly owned or controlled by or associated or affiliated with GPB Capital Holdings, LLC or any employee, partner, officer, director, agent, representative or other person associated with any of the foregoing GPB Capital Holdings, LLC.

SECTION VI – TERRITORY

This insurance applies to **Wrongful Acts** committed anywhere in the world, provided that the **Claim** is made against an **Insured** in the United States of America, its territories or possessions, Puerto Rico or Canada.

SECTION VII – LIMITS OF LIABILITY

A. Limit Of Liability Each Claim:

Subject to Paragraph **B.** below, the limit of the **Insurer’s** liability for **Damages** for a **Claim** made against an **Insured** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section **X** – Notice Of Claim below, or Extended Reporting Period, if applicable, shall not exceed the Limit Of Liability Each Claim shown in the Certificate Of Insurance.

The Limit Of Liability Each Claim does not include **Claim Expenses**. However, the **Insurer’s** obligations under this Policy as to a **Claim** against an **Insured**, including the duty to defend and pay **Claim Expenses**, shall cease after the applicable Limit Of Liability Each Claim has been paid by the **Insurer** for **Damages**. The inclusion of multiple **Insureds** in a **Claim** shall not increase the applicable Limit Of Liability Each Claim. Only one Limit Of Liability Each Claim shall apply to such a **Claim**.

In addition to the applicable Limit of Liability, the **Insurer** will pay **Claim Expenses** in the defense of any **Claim** to which this insurance applies.

The Limit Of Liability Each Claim applicable to a **Claim** involving multiple **Insureds** shall be the single largest such Limit Of Liability, in the event that different Limits Of Liability Each Claim are implicated.

B. Limit Of Liability Aggregate:

The Limit Of Liability for **Damages** for all **Claims** made against an **Insured** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section **X** – Notice Of Claim below, or Extended Reporting Period, if applicable, shall not exceed the Limit Of Liability Aggregate shown in the Certificate Of Insurance.

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The Limit Of Liability does not include **Claim Expenses**. However, the **Insurer's** obligations under this Policy as to all **Claims** against an **Insured**, including the duty to defend and pay **Claim Expenses**, shall cease after the applicable Limit Of Liability Aggregate has been paid by the **Insurer** for **Damages**.

In addition to the applicable Limit of Liability Aggregate, the **Insurer** will pay **Claim Expenses** in the defense of any **Claim** to which this insurance applies.

If multiple **Insureds** are implicated in a **Claim**, the Limit Of Liability Aggregate shown in the **Certificate of Insurance** for each implicated **Insured** shall be decreased in equal amounts.

SECTION VIII – DEDUCTIBLE

- A. The Deductible shown in the Certificate Of Insurance shall apply to **Damages**, if any, that are incurred in each **Claim**. The **Insured** must pay the Deductible to the **Insurer** at the time of settlement.
- B. If multiple **Insureds** are implicated in a **Claim**, then only one Deductible shall apply to the **Damages** that may be incurred in such **Claim**. Such Deductible shall be the largest, in the event that different Deductibles are implicated by a **Claim**.
- C. It is understood that if an **Insured** has written documentation from a claimant declining to purchase insurance coverage and such insurance coverage subsequently becomes the subject of a **Claim** against the **Insured** then no Deductible shall apply to such **Claim**.

SECTION IX – MULTIPLE CLAIMS

- A. All **Claims** based upon or arising out of the same **Wrongful Act** or **Interrelated Wrongful Acts**, shall be considered a single **Claim** and each such single **Claim** shall be deemed to have been made on the earlier of the following:
 - 1. When the earliest **Claim** arising out of such **Wrongful Act** or **Interrelated Wrongful Acts**, was first made; or
 - 2. When notice was provided concerning a **Wrongful Act** or **Interrelated Wrongful Acts** giving rise to such **Claim** under the Policy or any other policy;regardless of whether before the **Policy Period** or the term of any preceding policy.
- B. Such single **Claim** shall be subject to one Limit Of Liability Each Claim and one Deductible, even if involving multiple claimants, **Insureds** or proceedings.

SECTION X – NOTICE OF CLAIM

- A. As a condition precedent to the obligations of the **Insurer** under this Policy, an **Insured** shall give the **Insurer** written notice of a **Claim** made against the **Insured** as soon as practicable, but in no event later than either:
 - 1. The end of the **Certificate Period**, or Extended Reporting Period, if applicable;
 - 2. 30 days after the end of the **Policy Period**, or Extended Reporting Period, if applicable, as long as such **Claim** is first made within the final 30 days of the **Policy Period** or Extended Reporting Period; or
 - 3. Notwithstanding the requirements of 1. and 2. above, if continuous coverage is in effect pursuant to consecutive policies issued by the **Insurer**, a **Claim** may be reported to the **Insurer** in writing, as soon as practicable, during the policy period consecutive to and immediately following this **Policy Period** without constituting a violation of this provision. In such condition, the **Claim** will be deemed reported on the last day of the **Policy Period**.
- B. Written notice of a **Claim** shall be addressed to Lancer Claims Services, P.O. Box 7048, Orange CA 92863-7048.
- C. A **Claim** shall be deemed reported at the time when the **Insurer** receives written notice.
- D. The **Insured** shall provide the **Insurer** with copies of all documents received by the **Insured** concerning a **Claim**, including, but not limited to, a summons, complaint, statement of claim or any other papers served in a civil litigation or arbitration. In addition, the **Insured** shall provide the **Insurer** with the following:
 - 1. The name of the claimant;
 - 2. The name of each **Insured** involved in the **Claim**;
 - 3. A detailed description of the **Wrongful Act** giving rise to the **Claim**;
 - 4. The **Damages** that may result from the **Claim**; and
 - 5. The circumstances by which the **Insured** became aware of the **Claim**.

SECTION XI – NOTICE OF A WRONGFUL ACT

- A. An **Insured** may provide the **Insurer** with written notice of a **Wrongful Act** committed during the **Certificate Period** which reasonably may be expected to give rise to a **Claim** as soon as practicable after the **Wrongful Act** or becomes known to the **Insured**. Such notice may not be provided after the **Certificate Period** expires, nor during any Extended Reporting Period.
- B. The **Insured** shall provide the **Insurer** with the following concerning any such **Wrongful Act**:
1. The name of the potential claimant;
 2. The name of each **Insured** allegedly responsible for such **Wrongful Act**;
 3. A detailed description of the fact, allegation, circumstance or situation that could result in a **Claim**;
 4. The **Damages** that may result from the **Wrongful Act**;
 5. The circumstances by which the **Insured** became aware of the **Wrongful Act**; and
 6. The reasons for anticipating a **Claim**.
- C. A **Claim** arising from a **Wrongful Act** and reported in accordance with Paragraphs **A.** and **B.** above shall be deemed to have been first reported when the **Insurer** receives written notice of the **Wrongful Act**.
- D. Such written notice of a **Wrongful Act** which reasonably may be expected to give rise to a **Claim** must be given to the **Insurer**.

SECTION XII – ASSISTANCE AND COOPERATION

- A. The **Insured** shall cooperate with the **Insurer** and provide such assistance and information as the **Insurer** may reasonably request, including submission to examination and interrogation by a representative of the **Insurer**, under oath if required. The **Insured** shall assist with the defense of a **Claim** and shall attend hearings, depositions, trials and otherwise assist in the conduct of suits, including but not limited to effecting settlement, securing evidence and giving evidence, obtaining the attendance of witnesses, and giving written statements to the **Insurer's** representatives.
- B. The **Insured** shall not take any action which may increase exposure or **Damages**. The **Insured** shall not admit liability, agree to settlement, mediation or arbitration of any **Claim** or incur any cost or expense without the written consent of the **Insurer** which shall not be unreasonably withheld.
- C. If any **Insured** shall commit fraud in reporting any **Claim**, the insurance provided by this Policy shall be void from the date such fraudulent **Claim** is reported to the **Insurer**.

SECTION XIII – EXTENDED REPORTING PERIODS

A. Optional Group Extended Reporting Period

1. In the event of cancellation or non-renewal of this Policy by the **Insurer**, the **Sponsoring Company**, on behalf of the **Insureds**, shall have the right to purchase an Extended Reporting Period for payment of an additional premium equal to 200% of the total annual premium paid for the Policy. Such an Extended Reporting Period, if purchased, shall be for 3 years commencing on the date of cancellation or non-renewal and ending 36 months thereafter. During this Extended Reporting Period, if purchased, the **Insureds** may report **Claims** for **Wrongful Acts** occurring on or after the **Retroactive Date** but before the date of cancellation or non-renewal. A **Claim** reported under the Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period.
2. Notwithstanding any of the provisions of this Policy, the Extended Reporting Period provided herein shall not apply if an **Insured** has other insurance that applies to a **Claim**, in whole or in part.
3. The Extended Reporting Period provided herein shall not apply if the **Sponsoring Company** terminates the Policy as provided for in Section **XIV** – Termination Of Coverage below or decides not to renew this Policy.
4. The Extended Reporting Period provided herein shall not reinstate, increase or affect the applicable Limits Of Liability nor extend the **Certificate Period**.
5. The Extended Reporting Period provided herein shall include, and not be in addition to, the Extended Reporting Periods provided by Paragraph **B.** below.

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B. Automatic Agent Extended Reporting Period

1. Upon termination of an **Agent's** coverage under this Policy as stated in Paragraph **A.** of Section **XIV** – Termination Of Coverage below, such an **Insured** shall have an automatic Extended Reporting Period of one (1) year commencing on the date of the **Insured's** termination during which to report **Claims for Wrongful Acts** occurring on or after the **Retroactive Date** but before the **Insured's** termination. A **Claim** reported under this Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period.
2. Notwithstanding any other provision of this Policy, the Extended Reporting Period provided herein shall not apply if an **Agent** has other insurance that applies to a **Claim**, in whole or in part.
3. The Extended Reporting Period provided herein shall not reinstate, increase or otherwise affect the applicable Limits Of Liability nor extend the **Certificate Period**.
4. A **Claim** which is properly reported during this Extended Reporting Period will be deemed to have been first made on the last day of the **Certificate Period**.

D. Optional Agent Extended Reporting Period

1. Upon termination of an **Agent's** coverage under this Policy as stated in Paragraph **A.** of Section **XIV** – Termination Of Coverage below, such an **Insured** may elect to purchase one of the following Optional Extended Reporting Periods:
 - a. 3 years commencing on the date of the **Insured's** termination during which to report **Claims for Wrongful Acts** occurring on or after the **Retroactive Date** but before the **Insured's** termination. A **Claim** reported under this Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period. The cost of such optional Extended Reporting Period shall be 200% of the **Insured's** last annual premium, and must be paid within 60 days after **Agent's** termination.
 - b. 5 years commencing on the date of the **Insured's** termination during which to report **Claims for Wrongful Acts** occurring on or after the **Retroactive Date** but before the **Insured's** termination. A **Claim** reported under this Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period. The cost of such optional Extended Reporting Period shall be 300% of the **Insured's** last annual premium, and must be paid within 60 days after **Agent's** termination.
 - c. An unlimited amount of time commencing on the date of the **Insured's** termination during which to report **Claims for Wrongful Acts** occurring on or after the **Retroactive Date** but before the **Insured's** termination. A **Claim** reported under this Extended Reporting Period must be otherwise covered pursuant to the terms, provisions, conditions and exclusions of this Policy. Notice of **Wrongful Acts** that may result in **Claims** may not be reported during this Extended Reporting Period. The cost of such optional Extended Reporting Period shall be 400% of the **Insured's** last annual premium, and must be paid within 60 days after **Agent's** termination.
2. Notwithstanding any other provision of this Policy, the Extended Reporting Period provided herein shall not apply if an individual **Insured** or the estate of a deceased **Insured** has other insurance that applies to a **Claim**, in whole or in part.
3. The Extended Reporting Period provided herein shall not reinstate, increase or otherwise affect the applicable Limits Of Liability nor extend the **Certificate Period**.
4. A **Claim** which is properly reported during this Extended Reporting Period will be deemed to have been first made on the last day of the **Certificate Period**.

SECTION XIV – TERMINATION OF COVERAGE

A. Applicable To Agent

1. The coverage afforded by this Policy shall terminate upon the expiration date of the **Certificate Period**.

B. Applicable To Sponsoring Company

1. The coverage afforded by this Policy shall terminate upon the earlier of:
 - a. The expiration date of the **Certificate Period**; or
 - b. Cancellation as provided by Paragraph **C.** below.

2. The **Sponsoring Company** may terminate the Policy by sending written notice to the **Insurer** with the effective date of termination being not less than 30 days thereafter. Proof of mailing the notice of termination shall be sufficient proof of such notice. If the **Sponsoring Company** terminates the Policy, the **Insurer** shall be deemed to have fully earned the premium for the Policy.

C. Applicable To Insurer

1. This Policy may be terminated by the **Insurer**, for other than failure to pay a premium when due, by providing written notice to the **Sponsoring Company** at the **Sponsoring Company's** address shown in the Master Policy Declarations with the effective date of termination being not less than 60 days thereafter. Proof of mailing the notice of termination shall be sufficient proof of such notice. If the **Insurer** terminates the Policy, the **Sponsoring Company** shall receive a return of premium to be computed on a short rate basis proportional to the length of time from the inception date of the **Policy Period** to the termination date.
2. This Policy may be cancelled by the **Insurer** because of failure to pay a premium when due by providing written notice to the **Sponsoring Company** at the **Sponsoring Company's** address shown in the Master Policy Declarations with the effective date of termination being not less than 10 days thereafter. Proof of mailing the notice of termination shall be sufficient proof of such notice.

Nothing contained herein shall limit, abrogate or negate the rights of the **Insurer** under law and equity to declare that the Policy is void based on material misrepresentations or omissions contained in the **Application**.

SECTION XV – OTHER INSURANCE

- A. If any **Insured** has other insurance for a **Claim** made and reported during the **Policy Period**, or as allowed by Section X – Notice Of Claim, or Extended Reporting Period, if applicable, then this Policy shall be excess over any other valid and collectible insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.
- B. The foregoing shall not apply if such other insurance is specifically intended to be excess over the coverage afforded by this Policy.
- C. If a **Claim** is covered by this Policy and another policy issued by the **Insurer** or any company or entity affiliated with the **Insurer**, regardless of the **Insured** included in a **Claim**, then a single Limit Of Liability and single Deductible shall apply under both policies to the **Claim**. The single Limit Of Liability applicable to the **Claim** shall be the largest such Limit Of Liability under the policies. The Deductible applicable to the **Claim** shall likewise be the largest under the policies.

SECTION XVI – SUBROGATION

- A. In the event that the **Insurer** pays **Damages** or **Claim Expenses** on behalf of any **Insured**, the **Insurer** shall be subrogated to all of the **Insured's** rights of recovery, contribution, indemnification and apportionment against any third party implicated in a **Claim**. The **Insured** shall do nothing before or after the **Insurer's** payment of **Damages** or **Claim Expenses** that would waive, prejudice or impair the **Insurer's** subrogated rights of recovery, contribution, indemnification or apportionment.
- B. The **Insured** shall execute all papers required and shall do everything that may be necessary to secure and preserve any rights of recovery, contribution, indemnification or apportionment which the **Insured** may have, including the execution of such documents as are necessary to enable the **Insurer** to commence proceedings in any **Insured's** name. The **Insured** shall provide all other assistance and cooperation which the **Insurer** may reasonably require.

SECTION XVII – OTHER PROVISIONS

A. Entire Agreement

The terms and provisions of this Policy shall not be waived, changed or modified, unless by endorsement. Notices to, by or from any agent, representative or servant of any **Insured** or the **Insurer** shall not affect a waiver, change or modification of the Policy and shall not prevent the **Insurer** from asserting any rights under the Policy.

B. Assignment

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

C. Authorization

By acceptance of this Policy, the **Sponsoring Company** agrees to act on behalf of the **Insureds** for all purposes including but not limited to the negotiation of the terms of the Policy, payment of or return of premiums, receipt and acceptance of any endorsement issued to form a part of the Policy and giving and receiving notice of cancellation, termination or non-renewal of the Policy.

D. Action Against The Insurer

1. No action shall be taken against the **Insurer** unless, as a condition precedent thereto, an **Insured** has fully complied with all the terms and provisions of this Policy. In addition, no action shall be taken against the **Insurer** until the amount of an **Insured's** obligation or liability to a third party has been finally determined by an award or judgment against an **Insured** in an actual adjudicatory proceeding.
2. No person, organization or entity shall have the right under this Policy to join any **Insured** in any action or proceeding against an **Insurer** to determine the **Insurer's** liability nor shall the **Insurer** be impleaded in an action or proceeding by any **Insured** or the legal representative of such **Insured**.

E. Bankruptcy

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

F. Conformance to Statute

Terms of this Policy which are in conflict with the statutes of the State wherein this Policy is issued are hereby amended to conform to such statutes.

G. Headings

The descriptions in the headings and any subheading of this Policy (including any titles given to any endorsement attached hereto) are inserted solely for convenience and do not constitute any part of the terms or conditions hereof.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE ELECTION ENDORSEMENT – MUTUAL FUNDS

This endorsement modifies insurance provided under the following:

In consideration of the premium paid, it is agreed that:

Solely with respect to the coverage afforded by this Endorsement:

A. The following is added to Section IV – Definition of **Professional Services**:

1. The solicitation, sale or servicing of the following:

- f. Mutual funds that are registered with the SEC and authorized or approved by and distributed through a broker or dealer that is a member of FINRA;
- g. Financial planning, advice and consultation solely in connection with any of the products listed in Subsections 1.f;

All other terms and conditions remain unchanged.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE ELECTION ENDORSEMENT – P&C INSURANCE

This endorsement modifies insurance provided under the following:

In consideration of the premium paid, it is agreed that:

Solely with respect to the coverage afforded by this Endorsement:

A. The following is added to Section IV – Definition of **Professional Services**:

1. The solicitation, sale or servicing of the following:

h. Property and Casualty Insurance

All other terms and conditions remain unchanged.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER MANAGEMENT WITH EXTORTION DEMAND, BUSINESS INTERRUPTION AND NETWORK RESTORATION COST COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED LIFE INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

SCHEDULE

Cyber Management Limits of Liability:	\$100,000	Each Claim
	\$100,000	Insured Aggregate
Cyber Management Retention:	\$5,000	Each Claim
Extortion Payment Limit of Liability:	\$100,000	Each Extortion Demand
	\$100,000	Insured Aggregate
Extortion Payment Retention:	\$5,000	Each Extortion Demand
First Party Loss Limit of Liability	\$100,000	Each Exploit or Network Impairment
	\$100,000	Insured Aggregate
First Party Loss Retention	\$5,000	Each Exploit or Network Impairment
Total Aggregate Limit of Liability	\$1,000,000	As to All Claims, Extortion Demands, Exploits and Network Impairments

A. The following are added to Section I – Insuring Agreements:

Cyber Management

1. The **Insurer** shall pay, on behalf of the **Insured**:

- a. **Cyber Management Expenses** incurred by an **Insured** with the **Insurer's** prior written consent that are a direct result of a **Security Breach, Privacy Violation** or **Interrelated Breaches/Violations**, provided the **Cyber Management Expenses** are reported to the **Insurer** during the **Policy Period**, or as allowed by Section **X** – Notice of Claim, or during an Extended Reporting Period, if applicable;
- b. **Damages** and **Claim Expenses** which an **Insured** shall become legally obligated to pay because of actual monetary loss by the **Insured's** client as the direct result of a **Security Breach, Privacy Violation** or **Interrelated Breaches/Violations**, provided a **Claim** is both made against the **Insured** and reported to the **Insurer** in writing during the **Policy Period**, or as allowed by Section **X** – Notice of Claim, or during an Extended Reporting Period, if applicable; and

c. **Credit Monitoring Costs** incurred by an **Insured** with the **Insurer's** prior written consent that are the direct result of a **Security Breach** or **Privacy Violation** that directly results in theft or unauthorized copying of **Personal Information** and may reasonably be expected to result in **Identity Theft**, provided the **Credit Monitoring Costs** are reported to the **Insurer** during the **Policy Period**, or as allowed by Section **X** – Notice of Claim, or during an Extended Reporting Period, if applicable.

2. This **Cyber Management** coverage applies only if:

a. Such **Security Breach**, **Privacy Violation** or any **Interrelated Breaches/Violations** occurred on or after the **Retroactive Date** and before the end of the **Policy Period**; and

b. As of the inception date of this Policy as shown in the Declarations, no **Insured** had knowledge or reasonable basis upon which to anticipate that the **Security Breach**, **Privacy Violation** or any **Interrelated Breaches/Violations** could result in **Cyber Management Expenses, Damages, Credit Monitoring Costs** or any loss that may be sustained by a client.

Extortion Demand

The **Insurer** shall reimburse the **Insured** for:

Extortion Payment resulting from an **Extortion Demand**, in excess of the **Extortion Payment** Retention and up to the **Extortion Payment** Limits of Liability, provided that:

a. The **Extortion Demand** is first made against the **Insured** and reported to the **Insurer** in writing during the **Policy Period** or during an Extended Reporting Period, if applicable, in accordance with the Section **X** – Notice of Claim; and

b. The **Extortion Payment** is incurred within twelve months after the date that the **Insured** reports the **Extortion Demand** in accordance with the Section **X** – Notice of Claim, and such amounts are consented to in writing by the **Insurer**, such consent not to be unreasonably withheld.

Business Interruption and Network Restoration Costs

The **Insurer** shall pay on behalf of the **Insured** all **First Party Loss** in excess of the **First Party Loss** Retention and up to the **First Party Loss** Limits of Liability that the **Insured** incurs:

a. Business Interruption Coverage and Extra Expense

for **Business Income and Extra Expense** resulting from an **Exploit** that first causes **Network Impairment** during the **Policy Period**, provided that such **Exploit** is reported to the **Insurer** in writing during the **Policy Period** or during an Extended Reporting Period, if applicable, in accordance with the Section **X** – Notice of Claim.

b. Loss of or Damage to Insured's Network

for the **Insured's** reasonable and necessary expenses resulting from an **Exploit** that first causes **Network Impairment** during the **Policy Period**, provided that such **Exploit** is reported to the **Insurer** in writing during the **Policy Period** or during an Extended Reporting Period, if applicable, in accordance with the Section **X** – Notice of Claim, that are required to restore the **Network** or information residing on the **Network** to the form in which it existed immediately prior to such **Exploit**.

B. For the purpose of this endorsement, the following definitions in Section **IV** – Definitions are amended:

D. **Claim Expenses** do not include **Cyber Management Expenses, Credit Monitoring Expenses, Extortion Payments** or **First Party Loss**.

R. **Wrongful Act** also means **Network Security Breach, Privacy Violation**, or any **Interrelated Breaches/Violations**, but only with respect to **Cyber Management** coverage.

C. For the purpose of this endorsement, the following definitions are added to Section **IV** – Definitions:

Business Income and Extra Expense means:

1. the amount of net income, before interest, tax, depreciation or amortization, that the **Insured** would have earned during the period of time when **Network Impairment** caused by an **Exploit** commences and ending when such **Network Impairment** is corrected, allowing the resumption of **Professional Services**; and

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2. Extra Expense;

however, **Business Income and Extra Expense** does not include:

1. ordinary operating expenses incurred by the **Insured** during the period of time when **Network Impairment** commences and ending when such **Network Impairment** is corrected, allowing the resumption of **Professional Services**;
2. costs or expenses to update, upgrade, enhance, or replace the **Insured's Network** beyond that which existed prior to the occurrence of the **Network Impairment**;
3. costs or expenses the **Insured** incurs to prove or document **First Party Loss**;
4. **Cyber Management Expenses**;
5. **Damages and Claim Expenses**;
6. **Credit Monitoring Expenses**; and/or
7. **Extortion Payments**.

Credit Monitoring Costs means the costs for retaining a third party service provider approved by the **Insurer** and with the **Insured's** prior written consent to provide **Credit Monitoring Services** to those individuals who were victims of theft or unauthorized copying of **Personal Information**.

Credit Monitoring Services means the services that allow individuals to access and review their credit reports to determine if **Identity Theft** has occurred.

Cyber Management Expenses means necessary and reasonable expenses to hire an attorney, selected from the **Insurer's** panel counsel, to determine whether any breach notice laws apply and the obligations of any such applicable laws including the drafting of letters to satisfy the applicable law, including the cost to notify those effected by the **Network Security Breach** or **Privacy Violation**, or to provide **Credit Monitoring Services** to the **Insured's** clients. **Cyber Management Expenses** shall also include approved expenses to respond to a regulatory action commenced or pending solely against the **Insured**, and the hiring of a public relations firm to communicate with the **Insured's** clients in order to mitigate the reputational damage of the **Insured** directly resulting from a **Network Security Breach** or **Privacy Violation**.

Exploit means **Network Impairment** or a series of related **Network Impairments** by a third party, and not any **Insured**.

Extortion Demand means an incident or series of related incidents occurring during the **Policy Period** where an **Insured** receives a threat to launch an attack on, to suspend, or to otherwise disrupt a **Network**, disrupt or deface the **Insured's** website or release or use **Personal Information** in the **Insured's** care, unless monies are paid or specified action is taken, and an **Insured** believes there is an imminent and probable danger of such action. An **Extortion Demand** does not include any demand seeking monies from the **Insured** that are allegedly due and owing pursuant to contract or operation of law.

Extortion Payment means all reasonable and necessary expenses incurred by the **Insured** with the **Insurer's** prior consent, in order to respond to an **Extortion Demand**, including payment of monies demanded by an extortionist. **Extortion Payments** do not include such expenses to the extent the **Insured** has recovered such expenses or been reimbursed for them from any other source. **Extortion Payments** do not include **Damages, Claim Expenses, Cyber Management Expenses, Credit Monitoring Expenses, Business Income and Extra Expense** and/or **First Party Losses**.

Extra Expense means any reasonable and necessary expenses, in excess of the **Insured's** normal operating expenses, that the **Insured** incurs during period of time when **Network Impairment** commences and ending with **Network Impairment** is corrected, allowing the resumption of **Professional Services**, including:

1. reasonable expense incurred to minimize the interruption of **Professional Services** not otherwise covered by this Policy;

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2. reasonable expense incurred to resume **Professional Services** on a temporary basis, including those associated with securing temporary third party Internet service provider services, temporary website and/or e-mail hosting services, rental of temporary **Networks**, other temporary equipment or service contracts; and
3. reasonable expense incurred to engage a third party security expert to:
 - a. investigate, minimize and stop damage to the **Network** caused by the **Exploit** while such **Exploit** is ongoing; and
 - b. collect, analyze and preserve forensic evidence of an **Exploit** for use in identifying the perpetrator responsible for the disruption to **Professional Services**.

First Party Loss means amounts which the **Insurer** is obligated to pay as set forth in the **Business Interruption and Network Restoration Costs** Insuring Agreement.

Identity Theft means the theft or unauthorized copying of **Personal Information** of a client of the **Insured**, and use of such **Personal Information** to open new financial accounts for the purpose of fraudulently impersonating such individual, including without limitation, payment card accounts, bank accounts, loan accounts, health insurance accounts and insurance accounts.

Insured's Computer System means any computer hardware, software or firmware, and components thereof including data stored thereon, that is owned or leased by an **Insured** and is under the direct operational control of an **Insured**.

Interrelated Breaches/Violations means **Security Breaches** and/or **Privacy Violations** that are:

1. Similar, repeated or continuous; or
2. Connected by reason of any common fact, circumstance, situation, transaction, causality, event, decision or policy or one or more series of causally or logically related facts, circumstances, situations, transactions, causalities, events, decisions or policies.

Network means a local or wide area network owned or operated by or on behalf of or for the benefit of the **Broker/Dealer**; provided, however, **Network** shall not include the internet, telephone company networks, or other public infrastructure network (collectively "public infrastructure network"), unless such public infrastructure network is operated and controlled exclusively by the **Broker/Dealer**.

Network Impairment means the disruption, modification, destruction or damage to the **Insured's Network** that results in the impairment of the **Insured's Network** to such an extent that the **Insured** is substantially unable to conduct **Professional Services**.

Personal Information means:

1. The name of an **Insured's** client in combination with any one or more of the following:
 - a. Social security number;
 - b. Driver's license number or any other state identification number;
 - c. Medical or healthcare data including protected health information; or
 - d. Any financial account number, credit or debit card number in combination with any required password, access code or other security code that would permit access to the financial account;not including any lawfully available data accessible by the general public; or
2. Non-public personal information as defined in any **Privacy Regulation**.

Privacy Regulation means those parts of the following statutes or regulations regulating the use and protection of non-public personal information (as defined in such statutes or regulations):

1. Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the rules and regulations promulgated thereunder as amended;
2. Gramm-Leach Bliley Act of 1999 (GLBA) and the rules and regulations promulgated thereunder, as amended;
3. Consumer protection and unfair and deceptive trade practice laws enforced by state Attorneys General or the Federal Trade Commission, including but not limited to, Section 5(a) of the FTC Act 15;

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4. Security breach notification laws that require notice to individuals of the actual or potential theft of their non-public personal information, including but not limited to, the California Security Breach Notification Act of 2003 (CA SB 1386); or
5. Other state, federal or foreign privacy laws requiring reasonable security for non-public personal information, or a privacy policy limiting the sale, disclosure or sharing of non-public personal information or providing individuals with the right to access or correct non-public personal information.

Privacy Violation means any:

1. Theft of **Personal Information** while in the care, custody or control of an **Insured**; or
2. Violation of a **Privacy Regulation**.

Security Breach means:

1. The actual failure and inability to prevent:
 - a. Unauthorized access to or unauthorized use of **Personal Information** stored in the **Insured's Computer System**; or
 - b. The theft or unauthorized copying of **Personal Information** on the **Insured's Computer System**; or
2. The actual failure and inability to prevent the theft of **Personal Information** as a result of the physical theft by a person other than an **Insured** of the **Insured's Computer System** from premises occupied and controlled by the **Insured**.

D. For the purposes of this endorsement, the following are added to Section V – Exclusions:

This Policy shall not apply to, and the **Insurer** shall pay neither **Cyber Management Expenses, Credit Monitoring Costs, Damages, Claim Expenses, Extortion Payments** nor **First Party Loss**:

1. Arising out of, based upon or in consequence of, directly or indirectly resulting from of in any way involving any actual or alleged:
 - a. Costs or expenses for the reprinting, reposting, recall, removal or disposal of any online content or any other information, content or media, including any media or products containing such online content, information, content or media;
 - b. Wear and tear or gradual deterioration of any data saved on an **Insured's Computer System** or a **Network**;
 - c. Costs or expenses incurred by any **Insured** or others:
 - (1) To recall, repair, withdraw, replace, upgrade, supplement or remove the **Insured's** online content, products or services from the marketplace, including but not limited to products or services which incorporate the **Insured's** online content, products or services; or
 - (2) For any loss of use by any **Insured** or others that arises out of such recall, repair, withdrawal, replacement, upgrade, supplement or removal.
 - d. Failure to use best efforts to install commercially available software product updates and releases, or to apply security related software patches, to computers and other components of the **Insured's Computer System** or a **Network**;
 - e. Seizure, confiscation, destruction or nationalization of **Insured's Computer System** or a **Network**; or any data accessed by or on behalf of any governmental or public authority;
 - f. Interruption, suspension, failure or outage of any component of the Internet, including without limitation any hardware or software infrastructure supporting the Internet;
 - g. Fine or penalty arising out of any agreement by any **Insured** to comply with or follow the PCI Standard or any Payment Card Company rules, or to implement, maintain or comply with any security measure(s) or standards related to any payment card data;
 - h. Unsolicited electronic faxes, emails, telephone calls or unsolicited communications, including but not limited to unsolicited electronic messages, chat room postings, bulletin board postings, newsgroup postings, "pop-up" or "pop-under" Internet advertising or fax-blasting, direct mailing or telemarketing, or actual or alleged violations of the Telephone Consumer Protection Act, of 1991, as amended, the CAN-SPAM Act of 2003, as amended, and any other federal, foreign or state anti-spam statutes, or federal, foreign or state statute, law or regulation relating to a person's right to seclusion; or

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- i. Unauthorized or illegal collection of **Personal Information**, including but not limited to the collection of **Personal Information** using cookies, spyware, or other malicious code, or the failure to provide adequate notice that **Personal Information** is being collected;
 2. Arising out of, based upon or in consequence of, directly or indirectly resulting from of in any way involving any section 605 (requirements relating to information contained in consumer reports) or Section 616 (civil liability for willful noncompliance) of the Fair Credit Reporting Act, or any other similar federal, state or local laws or regulations, including but not limited to any laws or regulations requiring truncation of payment card numbers on, or the removal of the expiration date from, payment card receipts; or
 3. Covered in whole or in part under any other insurance.
- E. For purposes of this endorsement, the following is added to Section **VII** – Limits of Liability:

Cyber Management Limits of Liability

The Cyber Management Limits of Liability are subject to Paragraphs **A.** and **B.** of Section **VII** – Limits of Liability.

Subject to the Cyber Management Limits of Liability Insured Aggregate, the limit of the **Insurer's** liability for **Cyber Management Expenses, Damages, Credit Monitoring Costs** and **Claim Expenses** incurred in each **Network Security Breach** or **Privacy Violation** reported by an **Insured** to the **Insurer** in writing during the **Policy Period**, or as allowed by Section **X** – Notice Of Claim, or Extended Reporting Period, if applicable, shall not exceed the Limit of Liability Each Claim shown in the Schedule of the endorsement. The inclusion of multiple **Insureds** or clients in **Interrelated Breaches/Violations** shall not increase the applicable Limit of Liability Each Claim shown in the Schedule of this endorsement.

The Limit of Liability for all **Cyber Management Expenses, Damages, Credit Monitoring Costs** and **Claim Expenses** incurred in all **Network Security Breaches** or **Privacy Violations** submitted by an **Insured** in writing during the **Policy Period** shall not exceed the Cyber Management Limit of Liability Insured Aggregate shown in the Schedule of this endorsement.

The Cyber Management Limit of Liability Each Claim and Cyber Management Limit of Liability Insured Aggregate are part of, subject to and do not increase the Total Aggregate Limit of Liability as shown in the Schedule of this endorsement.

The **Insurer's** obligations under this Policy, including the duty to defend, shall cease after the applicable Limits of Liability has been paid by the **Insurer** for **Cyber Management Expenses, Damages, Credit Monitoring Costs** or **Claim Expenses**.

The Cyber Management Limits of Liability shown in the Schedule of this endorsement are part of, and not in addition to the Limits of Liability shown in the Declaration.

Extortion Payment and First Party Loss Limits of Liability

The Extortion Payments and First Party Loss Limits of Liability are subject to Paragraphs **A.** and **B.** of Section **VII** – Limits of Liability.

Subject to the Extortion Payments and First Party Loss Limits of Liability Insured Aggregates, the limit of the **Insurer's** liability for **Extortion Payments, Business Income and Extra Expenses** and **First Party Losses** incurred in each **Extortion Demand, Exploit** or **Network Impairment** reported by an **Insured** to the **Insurer** in writing during the **Policy Period**, or as allowed by Section **X** – Notice Of Claim, or Extended Reporting Period, if applicable, shall not exceed the Limit of Liability Each **Extortion Payment** or **First Party Loss** shown in the Schedule of the endorsement. The inclusion of multiple **Insureds** or clients in an **Extortion Demand, Exploit** or **Network Impairment** shall not increase the applicable Limit of Liability Each **Extortion Payments** or **First Party Loss** shown in the Schedule of this endorsement.

The Limit of Liability for all **Extortion Payments, Business Income and Extra Expenses** and **First Party Losses** incurred in all **Extortion Demands, Exploits** or **Network Impairments** submitted by an **Insured** in writing during the **Policy Period** shall not exceed the Extortion Payment and First Party Loss Limits of Liability Insured Aggregates shown in the Schedule of this endorsement.

The Extortion Payment and First Party Loss Limits of Liability Each Claim and Extortion Payment and First Party Loss Limits of Liability Insured Aggregate are part of, subject to and do not increase the Total Aggregate Limit of Liability as shown in the Schedule of this endorsement.

The **Insurer's** obligations under this Policy shall cease after the applicable Limits of Liability has been paid by the **Insurer** for **Extortion Payments, Business Income and Extra Expense** and/or **First Party Losses**.

The Extortion Payment and First Party Loss Limits of Liability shown in the Schedule of this endorsement are part of, and not in addition to the Limits of Liability shown in the Declaration.

Total Aggregate Limit of Liability

The Insurer's liability for all **Cyber Management Expenses, Damages, Credit Monitoring Costs, Claim Expenses, Extortion Payments, Business Income and Extra Expenses** and/or **First Party Losses** incurred in all **Network Security Breaches, Privacy Violations, Extortion Demands, Exploits** or **Network Impairments** shall not exceed the Total Aggregate Limit of Liability shown in the schedule of this endorsement. All of the Insurer's obligations under the Policy shall cease when the Total Aggregate Limit of Liability has been paid, regardless of whether **Network Security Breaches, Privacy Violations, Extortion Demands, Exploits** or **Network Impairments** have been resolved.

The Total Aggregate Limits of Liability shown in the Schedule of this endorsement is part of, and not in addition to the Limits of Liability shown in the Declaration.

F. Section VIII – Retention is amended to include the following:

The Retentions, shown in the Schedule of this endorsement, apply to **Cyber Management Expenses, Damages, Credit Monitoring Costs, Claim Expenses, Extortion Payments, Business Income and Extra Expenses** or **First Party Loss** incurred in each **Network Security Breach, Privacy Violation, Interrelated Breaches/Violations, Extortion Demand, Exploit** or **Network Impairment**. The Limits of Liability shown in the Schedule of this endorsement shall apply in excess of the Retentions, which are the sole responsibility of the **Insureds** and will remain uninsured.

All other terms and conditions remain unchanged.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOCIAL ENGINEERING CLAIM COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED LIFE INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

SCHEDULE

Social Engineering Claim Limits Of Liability:	\$100,000	Each Claim
	\$100,000	Agent Aggregate
	\$1,000,000	Coverage Aggregate
Social Engineering Claim Deductible:	\$5,000	

A. The following is added to Section I – Insuring Agreements:

Social Engineering Claim

The **Insurer** shall pay, on behalf of an **Agent**, **Damages** which an **Agent** becomes legally obligated to pay because of a **Social Engineering Claim** that is both made against an **Agent** and reported to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section X – Notice Of Claim below, or during an Extended Reporting Period, if applicable, for a **Wrongful Act** or **Interrelated Wrongful Act** committed solely in the rendering of or failing to render **Professional Services** by an **Agent**, provided:

1. Such **Wrongful Act** or any **Interrelated Wrongful Act** occurred on or after the **Retroactive Date** and before the end of the **Certificate Period**; and
2. As of the inception date of this Policy as shown in the Master Policy Declarations, or the effective date of the **Agent's** enrollment for coverage hereunder as shown in the Certificate Of Insurance, no **Insured** had knowledge or reasonable basis upon which to anticipate that the **Wrongful Act** or any **Interrelated Wrongful Act** could result in a **Social Engineering Claim**.

B. For the purpose of this endorsement, the following definitions are added to Section IV – Definitions:

Deceptive Communication means an electronic, facsimile or written document or telephone contact received by an **Agent** from a third-party which:

1. directly relates to a life insurance or other product referenced in the Definition IV.P (**Professional Services**) that is serviced by an **Agent** on behalf of a client and in which a third party has no legal right or interest;
2. contains a misrepresentation of material fact concerning a client of an **Agent**, which is reasonably relied upon by an **Agent** in believing that the document or contact is from his or her client or the client's authorized representative; and
3. requests the withdrawal, surrender or transfer of fund held in the client's life insurance or other product referenced in the Definition IV.P (**Professional Services**).

Social Engineering Claim means a **Claim** arising from a third party misleading an **Agent** through a **Deceptive Communication**, which is reasonably relied upon by an **Agent** as genuine and results in an **Unauthorized Transfer**.

Unauthorized Transfer means theft, conversion or misappropriation of funds held in a client's life insurance or other products referenced in the Definition **IV.P (Professional Services)** by a third party solely because of such party's **Deceptive Communication** with an **Agent** and without knowledge of and actual or implied consent by a client.

C. For the purposes of this endorsement, the following are added to Section **V** – Exclusions:

This Policy shall not apply to, and the **Insurer** shall pay neither **Damages** nor **Claim Expenses** for any **Social Engineering Claim**:

1. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any actual or alleged:
 - a. Costs or expenses for the reprinting, reposting, recall, removal or disposal of any online content or any other information, content or media, including any media or products containing such online content, information, content or media;
 - b. Costs or expenses incurred by any **Insured** or others:
 - (1) To recall, repair, withdraw, replace, upgrade, supplement or remove the **Agent's** online content, products or services from the marketplace, including but not limited to products or services which incorporate the **Agent's** online content, products or services; or
 - (2) For any loss of use by any **Insured** or others that arises out of such recall, repair, withdrawal, replacement, upgrade, supplement or removal;
 - c. Fine or penalty arising out of any agreement by any **Insured** to comply with or follow the PCI Standard or any Payment Card Company rules, or to implement, maintain or comply with any security measure(s) or standards related to any payment card data; or
 - d. Unsolicited electronic faxes, emails, telephone calls or unsolicited communications, including but not limited to unsolicited electronic messages, chat room postings, bulletin board postings, newsgroup postings, pop-up or pop-under Internet advertising or fax-blasting, direct mailing or telemarketing, or actual or alleged violations of the Telephone Consumer Protection Act of 1991, as amended, the CAN-SPAM Act of 2003, as amended, and any other federal, foreign or state anti-spam statutes, or federal, foreign or state statute, law or regulation relating to a person's right to seclusion; or
 - e. Unauthorized or illegal collection of any data or information, including but not limited to the collection of any data or information using cookies, spyware, or other malicious code, or the failure to provide adequate notice that data or information is being collected; or
 - f. Liability of the **Sponsoring Company**.
2. Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving any Section 605 (requirements relating to information contained in consumer reports) or Section 616 (civil liability for willful noncompliance) of the Fair Credit Reporting Act, or any other similar federal, state or local laws or regulations, including but not limited to any laws or regulations requiring truncation of payment card numbers on, or the removal of the expiration date from, payment card receipts; or
3. Covered in whole or in part under any other insurance.

D. For purposes of this endorsement, the following is added to Section **VII** – Limits Of Liability:

Social Engineering Claim Limits Of Liability

The **Social Engineering Claim** Limits Of Liability are subject to Paragraphs **A.** and **B.** of Section **VII** – Limits Of Liability.

Subject to the **Social Engineering Claim** Limits Of Liability Agent Aggregate and Coverage Aggregate, the limit of the **Insurer's** liability for **Damages** and **Claim Expenses** incurred in each **Social Engineering Claim** reported by an **Agent** to the **Insurer** in writing during the **Certificate Period**, or as allowed by Section **X** – Notice of Claim, or Extended Reporting Period, if applicable, shall not exceed the **Social Engineering Claim** Limit Of Liability Each Claim shown in the Schedule of the endorsement. The inclusion of multiple **Agents** or clients in **Interrelated Wrongful Acts** shall not increase the **Social Engineering Claim** Limit Of Liability Each Claim shown in the Schedule of this endorsement.

SPECIMEN

The Limit Of Liability for all **Damages** and **Claim Expenses** incurred in all **Social Engineering Claims** submitted by an **Agent** in writing during the **Certificate Period** shall not exceed the **Social Engineering Claim** Limit Of Liability Agent Aggregate shown in the Schedule of this endorsement.

The **Social Engineering Claim** Limit Of Liability Each Claim and **Social Engineering Claim** Limit Of Liability Agent Aggregate are part of, subject to and do not increase the **Social Engineering Claim** Limit Of Liability Coverage Aggregate as shown in the Schedule of this endorsement.

The **Insurer's** obligations under this Policy, including the duty to defend, shall cease after the applicable **Social Engineering Claim** Limits Of Liability has been paid by the **Insurer** for all **Damages** and/or **Claim Expenses**.

The **Social Engineering Claim** Limits Of Liability shown in the Schedule of this endorsement are part of, and not in addition to the Limits Of Liability shown in the Certificate Of Insurance.

E. The following is added to Section **VIII** – Deductible:

The **Social Engineering Claim** Deductible shown in the Schedule of this endorsement applies to **Damages** and **Claim Expenses** incurred in each **Social Engineering Claim** or **Social Engineering Claim** arising from **Interrelated Wrongful Acts**.

All other terms and conditions remain unchanged.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUBPOENA EXPENSES/PRE-CLAIM COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED LIFE INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

A. The following is added to Section VII – LIMITS OF LIABILITY:

Pre-Claim Assistance

Until the date a **Claim** is made, the **Insurer** may pay, at its sole discretion, all reasonable and necessary fees and expenses it incurs, up to \$10,000 per incident, as a result of investigating a potential **Claim** that the **Insured** reports to the **Insurer** in accordance with Section X – Notice Of Claim should a potential **Claim** be investigated pursuant to this paragraph, and that potential **Claim** later becomes a covered **Claim** under this Policy, then the Limits of Liability and Deductible applicable to such **Claim** shall apply to such **Claim**. While not **Damages**, this amount is subject to a sublimit of liability of \$10,000 per incident.

B. Subpoena Assistance

In the event the **Insured** receives a subpoena for documents or sworn testimony, during the applicable **Policy Period**, arising out of **Professional Services** rendered by the **Insured**, the **Insured** may provide the **Insurer** with a copy of the subpoena and the **Insurer**, at its sole discretion, may retain an attorney to provide advice regarding the production of documents, to prepare the **Insured** for sworn testimony, and to represent the **Insured** at the **Insured's** depositions, provided that:

- a. the subpoena arises out of a lawsuit to which the **Insured** is not a party; and
- b. the **Insured** has not been engaged to provide advice or sworn testimony in connection with the lawsuit, nor has the **Insured** provided such advice or sworn testimony in the past.

If such criteria are met, the **Insurer** will pay such attorney's legal fees excluding any disbursements for each **Insured**. While not **Damages**, such fees incurred under this provision are subject to a sublimit of liability of \$10,000 per incident. Any notice the **Insured** gives the **Insurer** of such subpoena shall be deemed notification of a potential **Claim** under Section X – Notice Of Claim of the General Terms and Conditions.

C. Inquiry Assistance

The **Insurer** shall pay reasonable and necessary fees, costs and expenses incurred by an **Insured** solely in connection with their preparation for and response to a request by any Regulatory Authority, including but not limited to any federal, state or local government, Department of Insurance, the SEC or FINRA) for an **Insured** to appear at a meeting or interview or to give a sworn statement that concerns the **Professional Services** rendered or failed to be rendered by such **Insured** or any formal or informal discovery or other request seeking documents, records or electronic information that are in the sole and exclusive possession or control of an **Insured**.

While not **Damages**, such fees incurred under this provision are subject to a sublimit of liability of \$10,000 per incident.

Such inquiry must be made on behalf of an **Insured** resulting from any **Inquiry** first made against such **Insured** during the **Policy Period** or the Extended Reporting Period, if applicable.

SPECIMEN

However, this coverage extension C. shall not include any routine or regularly scheduled regulatory or internal supervision, inspection, compliance, review, examination, production or audit, including any request for mandatory information from a regulated entity conducted in the Insureds or Regulatory Authority's normal review or compliance process.

All other terms and conditions remain unchanged.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIBERALIZATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY

It is here by understood and agreed that:

- A. If there is an inconsistency between a state amendatory endorsement attached to this Policy and any term or condition of the Policy, the **Insurer** shall apply whichever term or condition is more favorable to the **Insured**, unless application of such term or condition is against public policy or applicable state law.
- B. For the purposes of this Endorsement, it is further understood that in the event the terms, conditions or exclusions of the **Expiring Policy** would grant coverage for a **Claim** that is not covered under the terms, conditions or exclusions of this Policy (including endorsements to this Policy), then the terms, conditions and exclusions of the **Expiring Policy** will apply to such **Claim**. However, the coverage granted by this Endorsement will not apply if such **Claim** is not covered under this Policy by virtue of the **Policy Period**, Limit of Liability, Retention, Policy **Retroactive Date** or the name of the **Insured** shown in the Declarations of this Policy.

For the purposes of this Endorsement, the term **Expiring Policy**, whenever used in this Policy, shall mean Your prior Travelers Professional Liability Policy Issued by The Travelers Indemnity Company.

All other terms and conditions remain unchanged.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REGULATORY ACTIONS COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPANY SPONSORED INSURANCE AGENTS PROFESSIONAL LIABILITY INSURANCE POLICY ISSUED TO PRINCIPAL LIFE INSURANCE COMPANY, PRINCIPAL NATIONAL LIFE INSURANCE COMPANY AND PRINCIPAL SECURITIES, INC.

Section I – Insuring Agreement is amended to include the following:

It is agreed that for any **Claim** brought or maintained by or on behalf of:

1. any **Regulatory Agency**, whether the **Claim** is made in the name or right of, or for the benefit of, any other person or entity;
2. any person or entity acting at the behest of, with the participation of, or for the benefit of, in whole or in part, any **Regulatory Agency**; or
3. any person or entity against whom any **Regulatory Agency** has asserted any claim if such **Claim** is related to or arises from a claim brought or asserted against such other person or entity by the **Regulatory Agency**;

the following designated provisions are amended or added to this policy, provided any of the following provisions shall apply only if the provision is designated below by “X” as applicable.

Applicable

A. Sublimit

The Insurer’s liability for on account of all **Claims** described above which are first made during the **Policy Period** or the Extended Reporting Period, if applicable, shall be the Sublimit Amounts set forth below. This paragraph further limits and does not increase the Insurer’s maximum liability under this policy. The following Sublimit Amounts are within, and not in addition to, the other Limits Of Liability provided by the policy.

\$50,000 Each Claim

\$50,000 Agent Aggregate

B. Deductible

Solely with respect to each **Claim** described above, the applicable Retention amount stated in the Coverage Schedule in Item 5 of the Declarations for the above-referenced Coverage Part(s) is amended to read as follows:

Deductible Amount: \$2,500

When used in this Endorsement, “**Regulatory Agency**” means any national, state, local or foreign governmental or regulatory authority, body or agency, acting in any capacity whatsoever, including but not limited to its corporate capacity or its capacity as insurer, regulator, conservator, receiver, trustee, liquidator, rehabilitator or similar position, or any assignee or successor of any such authority, body or agency or the Financial Industry Regulatory Authority (FINRA).

SPECIMEN

Solely with respect to the coverage provided by this Endorsement, Section **IV** – Definitions, Paragraph **E. (Claim)**, Subsection **3.** is deleted.

All other terms and conditions remain unchanged.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRYPTO CURRENCY AND NFT EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

Section **V** – Exclusions, is amended to include the following:

This Policy shall not apply to, and the **Insurer** shall pay neither **Damages** nor **Claim Expenses** for, any **Claim**:

Arising out of, based upon or in consequence of, directly or indirectly resulting from or in any way involving, in whole or in part, individually or in conjunction with other matters, **Crypto Currency** and/or **NFT**; however this Exclusion shall not apply to mutual funds or securities registered with the Securities and Exchange Commission that are publicly traded on a national exchange.

Section **IV** – Definitions, is amended to include the following:

Crypto Currency means digital, computerized or on-line medium of exchange, including, but not limited to, any kind of virtual or electronic currency, that: (i) is not issued or guaranteed by a government central bank, domestic or foreign government or other public authority; or (ii) not adopted or authorized by a domestic or foreign government as a part of its currency.

NFT means a non-fungible token, which is any digital or virtual asset or unit of data stored on blockchain or other digital or virtual ledger, which represents a tangible or intangible item, such as, without limitation, graphic art, GIF, music, video or collectible, and grants or certifies the holder's ownership rights to such item, in whole or in part.

All other terms and conditions remain unchanged.