

**State:** New York **Filing Company:** Aspen American Insurance Company  
**TOI/Sub-TOI:** 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability  
**Product Name:** Insurance Agents and Brokers Professional Liability Program Filing  
**Project Name/Number:** Insurance Agents and Brokers Professional Liability Program Filing/AAIC-IAB-19

### Filing at a Glance

Company: Aspen American Insurance Company  
 Product Name: Insurance Agents and Brokers Professional Liability Program Filing  
 State: New York  
 TOI: 17.2 Other Liability-Claims Made Only  
 Sub-TOI: 17.2019 Professional Errors and Omissions Liability  
 Filing Type: Form/Rate/Rule  
 Date Submitted: 07/23/2020  
 SERFF Tr Num: REGU-132469567  
 SERFF Status: Closed-Approved  
 State Tr Num: R2020002474  
 State Status: Closed  
 Co Tr Num: AAIC-IAB-19  
  
 Effective Date: On Approval  
 Requested (New):  
 Effective Date: On Approval  
 Requested (Renewal):  
 Author(s): Fong Li  
 Reviewer(s): Anastasiya Savenkova (primary)  
 Disposition Date: 08/13/2020  
 Disposition Status: Approved  
 Effective Date (New): 08/13/2020  
 Effective Date (Renewal): 08/13/2020

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**or call 800-896-8000**

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## General Information

Project Name: Insurance Agents and Brokers Professional Liability Program Filing	Status of Filing in Domicile:
Project Number: AAIC-IAB-19	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 08/13/2020	
State Status Changed: 08/13/2020	Deemer Date:
Created By: Fong Li	Submitted By: Fong Li
Corresponding Filing Tracking Number:	

### Filing Description:

Aspen American Insurance Company (AAIC) is proposing forms, rates and rules to provide professional liability coverage for its new Insurance Agents and Brokers Professional Liability Program.

Attached for your review are the following items:

- Independent Forms
- Insurance Agents & Brokers Professional Liability Insurance Program Countrywide Rating Manual
- Supporting Documentation

This is a resubmission of filing # R2020001155. We are including a response letter to address all concerns raised under the prior submission by the department.

## Company and Contact

### Filing Contact Information

Fong Li,	fongli@ircllc.com
231 W 29th Street	212-571-3989 [Phone]
Suite # 707	
New York, NY 10001	

### Filing Company Information

(This filing was made by a third party - insuranceregulatoryconsultantsllc)

Aspen American Insurance Company	CoCode: 43460	State of Domicile: Texas
590 Madison Ave	Group Code: 4734	Company Type:
7th Floor,	Group Name: Apollo Global Mgmt	State ID Number:
New York, NY 10022	Grp	
(646) 502-1000 ext. [Phone]	FEIN Number: 75-2344200	

## Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

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## State Specific

Speed-To-Market Field: enter code "98" for Speed-To-Market filings. Enter "0" for N/A.: 0

Terrorism Exclusion Field: enter code "46-01" for filings which includes forms, rates or rules for the Terrorism Exclusion. Enter "0" for N/A.: 0

Mold (Fungi, Bacteria, Virus) Exclusion Field: enter code "46-02" for filings which includes forms, rates or rules for the Mold Exclusion. Enter "0" for N/A.: 0

On the Rate/Rule Schedule Tab, the "Add Rate Data" button must be changed to "yes" for all rating rules and rate filings in order for the appropriate fields to be completed. Please enter "Yes" for filings with the rate data fields completed and "No" for all other filings.: Yes

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Anastasiya Savenkova	08/13/2020	08/13/2020

## Objection Letters and Response Letters

### Objection Letters

Status	Created By	Created On	Date Submitted
Pending	Anastasiya Savenkova	07/30/2020	07/30/2020

### Response Letters

Responded By	Created On	Date Submitted
Fong Li	08/12/2020	08/12/2020

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## Disposition

Disposition Date: 08/13/2020  
 Effective Date (New): 08/13/2020  
 Effective Date (Renewal): 08/13/2020  
 Status: Approved

Comment: Dear Fong Li,

This will have reference to your filing submission dated July 23, 2020. Reference is also made to your response dated August 12, 2020 providing additional information.

Forms included in the captioned filing are approved in accordance with Section 2307 of the New York Insurance Law, effective the date of this disposition report.

Rates and rules are acknowledged in accordance with Article 23 of the New York Insurance Law, effective the date of this disposition report.

Very truly yours,

Linda A. Lacewell  
 Superintendent of Financial Services

By:

Anastasiya Savenkova  
 Associate Insurance Examiner  
 (212)480-7725  
 Anastasiya.Savenkova@dfs.ny.gov

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Aspen American Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Professional Liability and Errors and Omissions Review Standards Checklist		Yes
Supporting Document	Commercial Liability Insurance Review Standards Checklist		Yes
Supporting Document	Commercial Liability Insurance Form Filing Compliance Questionnaire		Yes
Supporting Document	Commercial Lines Cancellation & Nonrenewal Form Filing Compliance Questionnaire (NYIL 3426)		Yes
Supporting Document	Claims-Made Policies Form Filing Compliance Questionnaire		Yes
Supporting Document	Defense-Within-Limits Policies Form Filing Compliance Questionnaire		Yes
Supporting Document	Side-By-Side Comparisons		Yes
Supporting Document	Sexual harassment coverage requirements		Yes
Supporting Document	Rates and/or Rating Plans		Yes
Supporting Document	Consent-to-rate requirements		Yes
Supporting Document	Audit Provisions/premium Audit Rules		Yes
Supporting Document	Minimum Premium/Return Premium and Minimum Earned Premium Rules		Yes
Supporting Document	Renewal Discounts - General Liability and Professional Liability		Yes
Supporting Document	Filing Authorization Letter		Yes
Supporting Document	Response to Issues Raised Under State # R2020001155		Yes
Form	APPLICATION – NEW YORK		Yes
Form	RENEWAL APPLICATION – NEW YORK		Yes
Form	PROGRAM ADMINISTRATOR SUPPLEMENTAL APPLICATION		Yes
Form	THIRD PARTY ADMINISTRATOR SUPPLEMENTAL APPLICATION		Yes
Form	REPRESENTATION APPLICATION		Yes
Form	AVIATION SUPPLEMENTAL APPLICATION		Yes
Form	SUPPLEMENTAL CLAIM FORM		Yes
Form	DECLARATIONS - NEW YORK		Yes
Form	PROFESSIONAL LIABILITY INSURANCE FOR		Yes

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Schedule	Schedule Item	Schedule Item Status	Public Access
	INSURANCE AGENTS AND BROKERS		
Form	BREACH RESPONSE GUIDE		Yes
Form	ADDITIONAL INSURED SPECIFIC RETROACTIVE COVERAGE ENDORSEMENT		Yes
Form	AMENDED NAMED INSURED ENDORSEMENT		Yes
Form	AMENDED SETTLEMENT CONDITIONS ENDORSEMENT – NEW YORK		Yes
Form	BAD FAITH ENDORSEMENT		Yes
Form	CHANGE IN DEDUCTIBLES ENDORSEMENT		Yes
Form	CHANGE IN LIMITS OF LIABILITY ENDORSEMENT		Yes
Form	DELETION OF REINSURANCE EXCLUSION		Yes
Form	ERISA EXCLUSION ENDORSEMENT		Yes
Form	EXTENDED REPORTING PERIOD (TAIL ONLY) FOR A SPECIFIC ENTITY ENDORSEMENT – NEW YORK		Yes
Form	FIRST DOLLAR DEFENSE DEDUCTIBLE ENDORSEMENT		Yes
Form	POLICY CHANGES – NEW YORK		Yes
Form	HIPAA EXPANSION ENDORSEMENT – NEW YORK		Yes
Form	PROFESSIONAL SERVICES ENDORSEMENT; INCLUDE HUMAN RESOURCES CONSULTANT		Yes
Form	INSURANCE INSOLVENCY EXCLUSION AMENDMENT – SPECIFIC PROVIDER		Yes
Form	LIMITED ADDITIONAL INSURED ENDORSEMENT		Yes
Form	PREMIUM FINANCE ENDORSEMENT		Yes
Form	PROFESSIONAL EMPLOYER SERVICES ENDORSEMENT		Yes
Form	PROFESSIONAL SERVICES ENDORSEMENT		Yes
Form	PROFESSIONAL SERVICES FOR FELLOW EMPLOYEES ENDORSEMENT		Yes
Form	REINSTATEMENT ENDORSEMENT		Yes
Form	SEC EXCLUSION ENDORSEMENT		Yes
Form	SEVERABILITY OF APPLICATION – NEW YORK		Yes
Form	SPECIFIC ENTITY EXCLUSION ENDORSEMENT		Yes
Form	SPECIFIC INDEPENDENT CONTRACTORS		Yes

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Schedule	Schedule Item	Schedule Item Status	Public Access
	COVERAGE ENDORSEMENT		
Form	SPECIFIC INDEPENDENT CONTRACTORS EXCLUSION ENDORSEMENT		Yes
Form	SPECIFIC SERVICES EXCLUSION		Yes
Form	SPLIT LIMIT RETROACTIVE DATE		Yes
Form	U.S. ECONOMIC AND TRADE SANCTIONS ENDORSEMENT		Yes
Form	SEPARATE CYBER RETENTION ENDORSEMENT		Yes
Form	DELETE CHANGE IN CONTROL ENDORSEMENT		Yes
Form	OPTIONAL EXTENDED REPORTING TO INCLUDE NOTICE OF CIRCUMSTANCE ENDORSEMENT – NEW YORK		Yes
Form	AMEND INSOLVENCY ENDORSEMENT		Yes
Form	DELETE INSOLVENCY EXCLUSION ENDORSEMENT		Yes
Form	AMEND SETTLEMENT ENDORSEMENT		Yes
Form	AMEND SETTLEMENT ENDORSEMENT		Yes
Form	NINETY (90) DAY POST POLICY REPORTING ENDORSEMENT – NEW YORK		Yes
Form	PROFESSIONAL SERVICES ENDORSEMENT		Yes
Form	CATASTROPHE EXPENSE COVERAGE ENDORSEMENT		Yes
Form	AMENDED INSURED ENDORSEMENT		Yes
Form	AMENDATORY ENDORSEMENT – NEW YORK		Yes
Form	AMENDATORY ENDORSEMENT		Yes
Form	ASSOCIATION ENHANCEMENT ENDORSEMENT		Yes
Form	AMENDATORY ENDORSEMENT		Yes
Form	TCPA SUBLIMIT ENDORSEMENT – NEW YORK		Yes
Form	AMEND DEFINITION OF CLAIM ENDORSEMENT		Yes
Form	AMEND PRIOR WRONGFUL ACT EXCLUSION ENDORSEMENT		Yes
Form	NEW YORK AMENDATORY ENDORSEMENT		Yes
Form	NEW YORK IMPORTANT NOTICE APPLICATION AND DECLARATIONS ADDENDUM		Yes
Form	ASPBRP058NY 0318 Page 1 of 1 NEW YORK DEFENSE		Yes



**SERFF Tracking #:**

REGU-132469567

**State Tracking #:**

R2020002474

**Company Tracking #:**

AAIC-IAB-19

**State:**

New York

**Filing Company:**

Aspen American Insurance Company

**TOI/Sub-TOI:**

17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability

**Product Name:**

Insurance Agents and Brokers Professional Liability Program Filing

**Project Name/Number:**

Insurance Agents and Brokers Professional Liability Program Filing/AAIC-IAB-19

Schedule	Schedule Item	Schedule Item Status	Public Access
	COSTS WITHIN THE DEDUCTIBLE AND LIMITS OF LIABILITY ACKNOWLEDGEMENT		
<b>Form</b>	CYBER SUPPLEMENTAL APPLICATION		Yes
<b>Rate</b>	Aspen American Insurance Company Insurance Agents & Brokers Professional Liability Insurance Program Countrywide Rating Manual		Yes
<b>Rate</b>	ASPEN AMERICAN INSURANCE COMPANY INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY PROGRAM STATE PAGES - New York		Yes

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## Objection Letter

Objection Letter Status	Pending
Objection Letter Date	07/30/2020
Submitted Date	07/30/2020
Respond By Date	08/14/2020

Dear Fong Li,

### Introduction:

This will have reference to your filing submission dated July 23, 2020.

### Objection 1

- ASPEN AMERICAN INSURANCE COMPANY INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY PROGRAM STATE PAGES - New York, AAIC IAB New York SEP (Ed. 07.2020) (Rate)

Comments: With respect to our previous questions regarding Rule J, our actuary reviewed revisions included in this rule, however, additional information is now required with respect to the following concerns:

For example, if there is only 1 insolvency exclusion endorsement, the language of the endorsement can't possibly say whether it is a broadening or restricting endorsement. That could only be determined by the company when they compare the insolvency exclusion with what is in the base policy for the insured (which, wouldn't that be the same for all insureds?). Same with the professional services endorsement. In order to figure out whether the attachment of the endorsement should result in a debit or credit, you would have to compare the professional services in the endorsement with what's in the base policy (which, again, wouldn't that be the same for all insureds?).

Please provide examples that show using the specific wording contained in one of these endorsements, how that results in a broadening of coverage for 1 insured and a restriction in coverage for another insured (using the same base policy language of both insureds).

### Conclusion:

We await your prompt reply. In the meantime, the captioned filing is not approved for use in New York State. Pursuant to the Departments 2nd Supplement to Circular Letter No. 11(1998) dated December 20, 1999, a substantive reply must be submitted within 15 days. If such response is not received, this file will be considered withdrawn and closed accordingly. Thereafter, to request further review of the subject matter of this filing, a new filing will be required, in accordance with the provisions of Department Circular Letter No. 5 (2009) and SERFF filing submission guidelines, addressing the issue(s) discussed above and/or included in any previous Objection Letter(s) and/or Note(s) To Filer.

Sincerely,

Anastasiya Savenkova  
Associate Insurance Examiner  
(212)480-7725  
Anastasiya.Savenkova@dfs.ny.gov

Sincerely,

Anastasiya Savenkova

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## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 08/12/2020  
Submitted Date 08/12/2020

Dear Anastasiya Savenkova,

### Introduction:

This submission is in response to your July 30th objection letter. We've reviewed your objection and have the following response:

### Response 1

#### Comments:

We would like to clarify for any given category under Rule J, there are multiple endorsements applicable. Each endorsement represents either reduction or a broadening of coverage compared to what is provided on the base policy. For example, there are THREE endorsements dealing with the insolvency clause:

ASPBRP021 0118 carves back the exclusion for a specific person, which would imply a debit

ASPBRP041 0118 specifically INCLUDES a designated person under the exclusion, which would imply a credit since it's taking coverage away

ASPBRP042 0118 with this, the ENTIRE EXCLUSIOIN is deleted, adding back coverage and implying a debit.

The base policy language is the same for any insured, pending revision by specific endorsement.

### Related Objection 1

Applies To:

- ASPEN AMERICAN INSURANCE COMPANY INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY PROGRAM STATE PAGES - New York, AAIC IAB New York SEP (Ed. 07.2020) (Rate)

Comments: With respect to our previous questions regarding Rule J, our actuary reviewed revisions included in this rule, however, additional information is now required with respect to the following concerns:

For example, if there is only 1 insolvency exclusion endorsement, the language of the endorsement can't possibly say whether it is a broadening or restricting endorsement. That could only be determined by the company when they compare the insolvency exclusion with what is in the base policy for the insured (which, wouldn't that be the same for all insureds?). Same with the professional services endorsement. In order to figure out whether the attachment of the endorsement should result in a debit or credit, you would have to compare the professional services in the endorsement with what's in the base policy (which, again, wouldn't that be the same for all insureds?).

Please provide examples that show using the specific wording contained in one of these endorsements, how that results in a broadening of coverage for 1 insured and a restriction in coverage for another insured (using the same base policy language of both insureds).

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

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**Conclusion:**

Please contact me if you have any questions. Thank you.

Sincerely,

Fong Li

State: New York

Filing Company:

Aspen American Insurance Company

TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability

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## Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		APPLICATION – NEW YORK	ASPBRPA P001NY 1019	1019	ABE	New		0.000	ASPBRPAP001NY 1019 - New Business Application (FINAL).pdf
2		RENEWAL APPLICATION – NEW YORK	ASPBRPA P002NY 1019	1019	ABE	New		0.000	ASPBRPAP002NY 1019 - Renewal Application (FINAL).pdf
3		PROGRAM ADMINISTRATOR SUPPLEMENTAL APPLICATION	ASPBRPA P003 0118	0118	ABE	New		0.000	ASPBRPAP003 0118 - MGA Supplement.pdf
4		THIRD PARTY ADMINISTRATOR SUPPLEMENTAL APPLICATION	ASPBRPA P004 0118	0118	ABE	New		0.000	ASPBRPAP004 0118 - TPA Supplemental Application.pdf
5		REPRESENTATION APPLICATION	ASPBRPA P005 0118	0118	ABE	New		0.000	ASPBRPAP005 0118 - Representation Application.pdf
6		AVIATION SUPPLEMENTAL APPLICATION	ASPBRPA P006 0118	0118	ABE	New		0.000	ASPBRPAP006 0118 - Aviation Supplement.pdf
7		SUPPLEMENTAL CLAIM FORM	ASPBRPA P007 0118	0118	ABE	New		0.000	ASPBRPAP007 0118 - Claim Supplement.pdf
8		DECLARATIONS - NEW YORK	ASPBRP001NY 1119	1119	DEC	New		0.000	ASPBRP001NY 0320 Declarations for NY (FINAL).pdf

State: New York

Filing Company:

Aspen American Insurance Company

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Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
9		PROFESSIONAL LIABILITY INSURANCE FOR INSURANCE AGENTS AND BROKERS	ASPBRP002 0118	0118	PCF	New		0.000	ASPBRP002 0118 - Professional Liability for Insurance Agents and Brokers Policy.pdf
10		BREACH RESPONSE GUIDE	ASPBRP003 1018	1018	END	New		0.000	ASPBRP003 1018 - Breach Response Guide.pdf
11		ADDITIONAL INSURED SPECIFIC RETROACTIVE COVERAGE ENDORSEMENT	ASPBRP004 0118	0118	END	New		0.000	ASPBRP004 0118 - Additional Insured Specific Retroactive Endorsement.pdf
12		AMENDED NAMED INSURED ENDORSEMENT	ASPBRP005 0118	0118	END	New		0.000	ASPBRP005 0118 - Amended Named Insured Endorsement.pdf
13		AMENDED SETTLEMENT CONDITIONS ENDORSEMENT – NEW YORK	ASPBRP006NY 1119	1119	END	New		0.000	ASPBRP006NY 1119 - Amended Settlement Conditions Endorsement - NEW YORK.pdf
14		BAD FAITH ENDORSEMENT	ASPBRP008 0118	0118	END	New		0.000	ASPBRP008 0118 - Bad Faith Endorsement.pdf
15		CHANGE IN DEDUCTIBLES ENDORSEMENT	ASPBRP010 0118	0118	END	New		0.000	ASPBRP010 0118 - Change in Deductibles Endorsement.pdf
16		CHANGE IN LIMITS OF LIABILITY ENDORSEMENT	ASPBRP011NY 1119	1119	END	New		0.000	ASPBRP011NY 1119 - Change in Limits of Liability Endorsement.pdf

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Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
17		DELETION OF REINSURANCE EXCLUSION	ASPBRP013 0118	0118	END	New		0.000	ASPBRP013 0118 - Deletion of Reinsurance Exclusion Endorsement.pdf
18		ERISA EXCLUSION ENDORSEMENT	ASPBRP014 0118	0118	END	New		0.000	ASPBRP014 0118 - ERISA Exclusion Endorsement.pdf
19		EXTENDED REPORTING PERIOD (TAIL ONLY) FOR A SPECIFIC ENTITY ENDORSEMENT – NEW YORK	ASPBRP016 NY 1119	1119	END	New		0.000	ASPBRP016 NY 1119 - Extended Reporting Period Tail Only Specific Entity Endorsement - New York.pdf
20		FIRST DOLLAR DEFENSE DEDUCTIBLE ENDORSEMENT	ASPBRP017 0118	0118	END	New		0.000	ASPBRP017 0118 - First Dollar Defense Endorsement.pdf
21		POLICY CHANGES – NEW YORK	ASPBRP031 NY 0919	0919	END	New		0.000	ASPBRP031 NY 0919 - Policy Changes - NEW YORK.pdf
22		HIPAA EXPANSION ENDORSEMENT – NEW YORK	ASPBRP019 NY 0318	0318	END	New		0.000	ASPBRP019 NY 0318 - HIPAA Endorsement, Defense Only.pdf
23		PROFESSIONAL SERVICES ENDORSEMENT; INCLUDE HUMAN RESOURCES CONSULTANT	ASPBRP020 0118	0118	END	New		0.000	ASPBRP020 0118 - HR Consulting Endorsement.pdf
24		INSURANCE INSOLVENCY EXCLUSION AMENDMENT – SPECIFIC PROVIDER	ASPBRP021 0118	0118	END	New		0.000	ASPBRP021 0118 - Insurance Insolvency Exclusion Amendment - Specific Provider.pdf

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Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
25		LIMITED ADDITIONAL INSURED ENDORSEMENT	ASPBRP022 0118	0118	END	New		0.000	ASPBRP022 0118 - Limited Additional Insured Endorsement.pdf
26		PREMIUM FINANCE ENDORSEMENT	ASPBRP024 0118	0118	END	New		0.000	ASPBRP024 0118 - Premium Finance Endorsement.pdf
27		PROFESSIONAL EMPLOYER SERVICES ENDORSEMENT	ASPBRP025 0118	0118	END	New		0.000	ASPBRP025 0118 - Professional Employer Services Endorsement.pdf
28		PROFESSIONAL SERVICES ENDORSEMENT	ASPBRP026NY 0919	0919	END	New		0.000	ASPBRP026NY 0919 Professional Services Endorsment (contains rule in variable field).pdf
29		PROFESSIONAL SERVICES FOR FELLOW EMPLOYEES ENDORSEMENT	ASPBRP027 0118	0118	END	New		0.000	ASPBRP027 0118 - Professional Services for Fellow Employees Endorsement.pdf
30		REINSTATEMENT ENDORSEMENT	ASPBRP028 0118	0118	END	New		0.000	ASPBRP028 0118 - Reinstatement Endorsement.pdf
31		SEC EXCLUSION ENDORSEMENT	ASPBRP029 0118	0118	END	New		0.000	ASPBRP029 0118 - SEC Exclusion Endorsement.pdf



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Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
32		SEVERABILITY OF APPLICATION – NEW YORK	ASPBRP030NY 0318	0318	END	New		0.000	ASPBRP030NY 0318 - Severability of Application Endorsement.pdf
33		SPECIFIC ENTITY EXCLUSION ENDORSEMENT	ASPBRP032 0118	0118	END	New		0.000	ASPBRP032 0118 - Specific Entity Exclusion Endorsement.pdf
34		SPECIFIC INDEPENDENT CONTRACTORS COVERAGE ENDORSEMENT	ASPBRP033 0118	0118	END	New		0.000	ASPBRP033 0118 - Specific Independent Contractors Coverage Endorsement.pdf
35		SPECIFIC INDEPENDENT CONTRACTORS EXCLUSION ENDORSEMENT	ASPBRP034 0118	0118	END	New		0.000	ASPBRP034 0118 - Specific Independent Contractor Exclusion Endorsement.pdf
36		SPECIFIC SERVICES EXCLUSION	ASPBRP035 0118	0118	END	New		0.000	ASPBRP035 0118 - Specific Services Exclusion Endorsement.pdf
37		SPLIT LIMIT RETROACTIVE DATE	ASPBRP036 0118	0118	END	New		0.000	ASPBRP036 0118 - Split Limit Retroactive Date Endorsement.pdf
38		U.S. ECONOMIC AND TRADE SANCTIONS ENDORSEMENT	ASPBRP037 0118	0118	END	New		0.000	ASPBRP037 0118 - U.S. Economic and Trade Sanctions Endorsement.pdf
39		SEPARATE CYBER RETENTION ENDORSEMENT	ASPBRP038 0118	0118	END	New		0.000	ASPBRP038 0118 - Separate Cyber Retention Endorsement.pdf

State: New York

Filing Company:

Aspen American Insurance Company

TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability

Product Name: Insurance Agents and Brokers Professional Liability Program Filing

Project Name/Number: Insurance Agents and Brokers Professional Liability Program Filing/AAIC-IAB-19

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
40		DELETE CHANGE IN CONTROL ENDORSEMENT	ASPBRP039 0118	0118	END	New		0.000	ASPBRP039 0118 - Delete Change In Control Endorsement.pdf
41		OPTIONAL EXTENDED REPORTING TO INCLUDE NOTICE OF CIRCUMSTANCE ENDORSEMENT – NEW YORK	ASPBRP040NY 0318	0118	END	New		0.000	ASPBRP040NY 0318 - Optional Extended Reporting to Include Notice of Circumstance Endorsement.pdf
42		AMEND INSOLVENCY ENDORSEMENT	ASPBRP041 0118	0118	END	New		0.000	ASPBRP041 0118 - Amend Insolvency Exclusion Endorsement.pdf
43		DELETE INSOLVENCY EXCLUSION ENDORSEMENT	ASPBRP042 0118	0118	END	New		0.000	ASPBRP042 0118 - Delete Insolvency Exclusion Endorsement.pdf
44		AMEND SETTLEMENT ENDORSEMENT	ASPBRP043 0118	0118	END	New		0.000	ASPBRP043 0118 - Amend Settlement, 80-20 Endorsement.pdf
45		AMEND SETTLEMENT ENDORSEMENT	ASPBRP044 0118	0118	END	New		0.000	ASPBRP044 0118 - Amend Settlement, 50-50 Endorsement.pdf
46		NINETY (90) DAY POST POLICY REPORTING ENDORSEMENT – NEW YORK	ASPBRP045NY 1119	1119	END	New		0.000	ASPBRP045NY 1119 - Ninety (90) Days Post Policy Reporting Endorsement - NEW YORK.pdf

State: New York

Filing Company:

Aspen American Insurance Company

TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability

Product Name: Insurance Agents and Brokers Professional Liability Program Filing

Project Name/Number: Insurance Agents and Brokers Professional Liability Program Filing/AAIC-IAB-19

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
47		PROFESSIONAL SERVICES ENDORSEMENT	ASPBRP046 0118	0118	END	New		0.000	ASPBRP046 0118 - Professional Services Endorsement, Countersigning.pdf
48		CATASTROPHE EXPENSE COVERAGE ENDORSEMENT	ASPBRP047 0118	0118	END	New		0.000	ASPBRP047 0118 - Catastrophe Expense Coverage.pdf
49		AMENDED INSURED ENDORSEMENT	ASPBRP048 0118	0118	END	New		0.000	ASPBRP048 0118 - Amended Insured Endorsement.pdf
50		AMENDATORY ENDORSEMENT – NEW YORK	ASPBRP049NY 0120	0120	END	New		0.000	ASPBRP049NY 0120 - Amendatory Endorsement - New York.pdf
51		AMENDATORY ENDORSEMENT	ASPBRP050NY 0120	0120	END	New		0.000	ASPBRP050NY 0120 - Amendatory Endorsement.pdf
52		ASSOCIATION ENHANCEMENT ENDORSEMENT	ASPBRP051 0118	0118	END	New		0.000	ASPBRP051 0118 - Association Enhancement Endorsement.pdf
53		AMENDATORY ENDORSEMENT	ASPBRP052 1218	1218	END	New		0.000	ASPBRP052 1218 - AJ Wayne Amendatory Endorsement - FINAL.pdf
54		TCPA SUBLIMIT ENDORSEMENT – NEW YORK	ASPBRP053NY 1119	1119	END	New		0.000	ASPBRP053NY 1119 - TCPA Sublimit Endorsement - NEW YORK.pdf

State: New York

Filing Company:

Aspen American Insurance Company

TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability

Product Name: Insurance Agents and Brokers Professional Liability Program Filing

Project Name/Number: Insurance Agents and Brokers Professional Liability Program Filing/AAIC-IAB-19

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
55		AMEND DEFINITION OF CLAIM ENDORSEMENT	ASPBRP054 0118	0118	END	New		0.000	ASPBRP054 0118 - Amend Definition of Claim Endorsement.pdf
56		AMEND PRIOR WRONGFUL ACT EXCLUSION ENDORSEMENT	ASPBRP056 0118	0118	END	New		0.000	ASPBRP056 0118 - Amend Prior Wrongful Act Exclusion Endorsement.pdf
57		NEW YORK AMENDATORY ENDORSEMENT	ASPBRP055NY 0420	0420	END	New		0.000	ASPBRP055NY 0420 - New York Amendatory Endorsement.pdf
58		NEW YORK IMPORTANT NOTICE APPLICATION AND DECLARATIONS ADDENDUM	ASPBRP057NY 0318	0318	DEC	New		0.000	ASPBRP057NY 0318 - New York Important Notice Application and Declarations Addendum.pdf
59		ASPBRP058NY 0318 Page 1 of 1 NEW YORK DEFENSE COSTS WITHIN THE DEDUCTIBLE AND LIMITS OF LIABILITY ACKNOWLEDGEMENT	ASPBRP058NY 0318	0318	DSC	New		0.000	ASPBRP058NY 0318 - New York DWL Deducible and LOL Acknowledgement.pdf
60		CYBER SUPPLEMENTAL APPLICATION	ASPBRPA P008 0218	0218	ABE	New		0.000	ASPBRPAP008 0218 - Cyber Supplemental Application.pdf

## Form Type Legend:

<b>ABE</b>	Application/Binder/Enrollment	<b>ADV</b>	Advertising
<b>BND</b>	Bond	<b>CER</b>	Certificate
<b>CNR</b>	Canc/NonRen Notice	<b>DEC</b>	Declarations/Schedule
<b>DSC</b>	Disclosure/Notice	<b>END</b>	Endorsement/Amendment/Conditions
<b>ERS</b>	Election/Rejection/Supplemental Applications	<b>OTH</b>	Other



# Professional Liability Insurance for Insurance Agents and Brokers - NEW YORK

Aspen American Insurance Company  
590 MADISON AVENUE, 7TH FLOOR  
NEW YORK, NY 10022  
(A stock insurance company)

THIS POLICY INCLUDES FIRST PARTY AND THIRD PARTY COVERAGE. THE **THIRD PARTY** COVERAGE IS WRITTEN ON A CLAIMS MADE BASIS, AND IS LIMITED TO ONLY THOSE CLAIMS FOR WRONGFUL ACTS TAKING PLACE ON OR AFTER THE RETROACTIVE DATE SET FORTH IN THE DECLARATIONS AND FOR WHICH CLAIMS ARE FIRST MADE AGAINST AN INSURED DURING ANY POLICY PERIOD, OR DURING ANY APPLICABLE EXTENDED REPORTING PERIOD, IF EXERCISED. THE LIMIT OF LIABILITY TO PAY DAMAGES, SETTLEMENTS, OR OTHE COSTS WILL BE REDUCED AND MAY BE EXHAUSTED, UNLESS OTHERWISE PROVIDED HEREIN, BY DEFENSE COSTS, AND DEFENSE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE. IN NO EVENT WILL WE BE LIABLE FOR DEFENSE COSTS OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. PLEASE READ YOUR POLICY CAREFULLY.

This Declarations Page is attached to and forms part of the Policy provisions. In consideration of the premium shown, the Underwriters do hereby bind themselves each for his own part and not one for the other in favor of the Insured whose name and address is shown, for the limits or amounts specified hereon, and for the term stipulated, according to the following:

## DECLARATIONS

POLICY NUMBER: \_\_\_\_\_ RENEWAL OF: \_\_\_\_\_

PRODUCER AND ADDRESS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ITEM 1. NAMED INSURED AND ADDRESS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ITEM 2. POLICY PERIOD: From: \_\_\_\_\_ To: \_\_\_\_\_  
(12:01 A.M Standard time at the Insured's address set forth above in Item 1)

ITEM 3. LIMITS OF LIABILITY:  
A. Professional Liability:

1. \$ \_\_\_\_\_ Each Claim for a **Wrongful Act** or series of continuous, repeated or **Interrelated Wrongful Acts**

2. \$\_\_\_\_\_ Aggregate

3. **Defense Costs** in addition to the limits stated above:  Yes  No

**B. First Party Breach Management Services and First Party Regulatory Proceedings:**

1. \$\_\_\_\_\_ Aggregate for all **Breaches and Regulatory Proceedings**

**ITEM 4. DEDUCTIBLE:**

\$\_\_\_\_\_ Each **Wrongful Act, Claim, Breach, Regulatory Proceeding** or series of continuous, repeated or **Interrelated Wrongful Acts, Claims, Breaches or Regulatory Proceedings.**

**ITEM 5. RETROACTIVE DATE:** \_\_\_\_\_

**ITEM 6. PREMIUM:** \$ \_\_\_\_\_

**ENDORSEMENTS FORMING PART OF THIS POLICY AT ISSUANCE:**

ASPBRP057NY 0318 NEW YORK IMPORTANT NOTICE APPLICATION AND DECLARATIONS ADDENDUM

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

In witness whereof, We have caused this Policy to be signed below by a duly authorized representative of Ours.

«img:Signature» \_\_\_\_\_  
Secretary

«img:Signature» \_\_\_\_\_  
President

«img:Signature» \_\_\_\_\_  
Authorized Representative



# Professional Liability Insurance for Insurance Agents and Brokers

Aspen American Insurance Company  
590 MADISON AVENUE, 7TH FLOOR  
NEW YORK, NY 10022  
(A stock insurance company)

**THIS IS A "CLAIMS MADE" POLICY OF INSURANCE. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE WHAT IS AND WHAT IS NOT COVERED.**

The words You, Your and Yours mean the **Insured** and the words We, Us, and Our refer to the **Aspen American Insurance Company** providing this insurance. All words that are in bold face type, other than the caption titles, have special meanings set forth in Section III. **DEFINITIONS** of the Policy.

In consideration of and subject to the payment of the premium, and in reliance upon the particulars, statements, representations, attachments and exhibits contained in and submitted with the Application which shall be the basis of this Policy and deemed to be incorporated herein, and subject to all the terms, conditions, limitations and any endorsements to this Policy, **Aspen American Insurance Company** and the **Named Insured** agree as follows:

## I. INSURING AGREEMENTS

### Errors and Omissions

#### A. Professional Liability

We shall pay on Your behalf up to the applicable Limit of Liability set forth in **ITEM 3.A.** of the Declarations all sums in excess of the Deductible set forth in **ITEM 4.** of the Declarations which You shall become legally obligated to pay as **Damages** and **Defense Costs** resulting from any **Claim** first made against You during the **Policy Period** for any **Wrongful Act** by You or other person for whose actions You are legally responsible, but only if the **Wrongful Act** is first committed on or after the **Retroactive Date** stated in **ITEM 5.** of the Declarations and before the end of the **Policy Period.**

### Cyber Coverage

#### A. First Party Breach Management Services

We shall pay on Your behalf up to the applicable Limit of Liability set forth in **ITEM 3.B.** of the Declarations all sums in excess of the Deductible set forth in **ITEM 4.** of the Declarations, costs and expenses incurred by You for **Breach Management Services** due to an actual or suspected **Breach** first occurring or first discovered during the **Policy Period** and first reported to Us during the **Policy Period.**

#### B. First Party Regulatory Proceedings

We shall pay on Your behalf up to the applicable Limit of Liability set forth in **ITEM 3.B.** of the Declarations all sums in excess of the Deductible set forth in **ITEM 4.** of the Declarations **Regulatory Expenses** incurred and **Regulatory Fines** imposed due to a **Regulatory Proceeding** first commenced against You during the **Policy Period** and first reported to Us during the **Policy Period**, as a direct result of an actual or suspected **Breach** or violation of a **Breach Notice Law** as a result of a **Breach** that is covered under **Section I. Cyber Coverage A.** above.

## II. ADDITIONAL COVERAGE EXTENSIONS

We will provide with the following Coverage Extensions:

#### A. Administrative Proceeding Coverage

We shall pay up to \$50,000 in the aggregate for the **Policy Period** for reasonable and necessary legal fees and expenses You incur in the event that an **Administrative Proceeding** is first commenced against You during the **Policy Period** and reported to Us during the **Policy Period** or within sixty (60) days of the expiration of the **Policy Period**, or any **Extended Reporting Period**, if applicable, which arises from a **Wrongful Act**, provided that the **Wrongful Act** first takes place on or after the **Retroactive Date** specified in **ITEM 5.** of the Declarations and prior to the end of the **Policy Period** provided that You do not admit all or any part of the allegations. We shall only pay those reasonable legal fees and expenses incurred with Our prior written approval. We shall not pay any **Damages** pursuant to this Coverage Extension.

#### B. Subpoena Inquiry Coverage

We shall pay up to \$10,000 per **Subpoena Inquiry** and \$30,000 in the aggregate for the **Policy Period** for all **Subpoena Inquiries** for reasonable and necessary legal fees and expenses incurred in the defense or response to a **Subpoena Inquiry** served upon You during the **Policy Period**. In order for this coverage benefit to apply, the **Subpoena Inquiry** must be served upon You during the **Policy Period** and reported to Us within sixty (60) days of Your receipt of service by an **Insured**. Any legal fees and expenses or other costs incurred prior to notice being received by Us or incurred without Our prior written approval will not be covered.

#### C. Court Attendance Costs Coverage

If You are required to attend a trial, hearing or arbitration proceeding pursuant to a covered **Claim** against You then We will pay for Your reasonable expenses for each such day or part thereof that You are required to attend. However, the most We will pay under this subsection C. is up to a total of \$10,000 each **Claim** and \$30,000 in the aggregate for all **Claims** made during the **Policy Period** or **Extended Reporting Period**, if applicable.

#### D. Deductible Reduction Coverage

1. If You and the Company agree to use **Mediation** and a **Claim** is fully and finally resolved by **Mediation** with Our consent and agreement, Your Deductible amount incurred for such **Claim** will be reduced by fifty percent (50%) subject to a maximum reduction of \$25,000.
2. If You become aware of a **Wrongful Act** or incident reasonably expected to give rise to a **Claim** and report it to Us pursuant to **Section VII. CONDITIONS 3. Reporting of Potential Claims**, Your Deductible obligation for any **Claim** which later arises therefrom will be reduced by fifty percent (50%) subject to a maximum reduction of \$10,000.
3. In the event the **Named Insured** is eligible to receive a reduction in the Deductible pursuant to 1. and 2. herein, the total maximum reduction of the Deductible shall not exceed a total of 50% of the applicable Deductible, subject to a maximum reduction of \$25,000.

Any payments made pursuant to the foregoing subsections A. B. or C. will be made in addition to the Limits of Liability set forth in the Declarations. There shall be no Deductible with respect to any coverage benefit provided under subsections A. B. and C. above.

### III. DEFINITIONS

Certain words, identified by bold text throughout this Policy, shall have the following meaning when used in this Policy:

1. "**Administrative Proceeding**" means any proceeding or investigation brought by any federal, state, or municipal agency, insurance department or quasi-governmental authority.
2. "**Breach**" means one or more of the following:
  - a. loss, theft or unlawful disclosure of **Third Party Data**;
  - b. failure to comply with any part of Your privacy policy;
  - c. unauthorized access to or unauthorized use of a **Computer System**;



- d. failure to prevent the transmission of malicious code from the **Computer System** to a third party's computer or computer system; or
  - e. theft of passwords or access codes, by physical or electronic means, from Your premises or **Computer System**, which results in the unauthorized access to a third party's computer or computer system.
3. **"Breach Management Services"** means one or more of the following services provided by authorized third party service providers chosen at the sole discretion of Us and with Our prior approval:
- a. forensic investigation of a **Computer System** to determine the source, cause and/or extent of a **Breach**;
  - b. credit monitoring, identity theft monitoring and identity theft restoration services, for up to one year, to affected parties, including customers and clients of the **Insured**, and to any other person or party affected by a **Breach**;
  - c. notifications of affected individuals or affected parties as mandated by a **Breach Notice Law**, including printing and mailing of materials;
  - d. notification of local, state or federal regulatory bodies as required by a **Breach Notice Law**;
  - e. legal counsel to assist in determining the applicability of and actions necessary to comply with **Breach Notice Laws**;
  - f. hiring of a public relations firm, law firm or crises management firm to assist in mitigating any damage to the **Insured's** brand or reputation;
  - g. any other services approved by Us at Our sole discretion.
4. **"Breach Notice Law"** means any statute or regulation requiring an entity storing **Third Party Data** on its computer or computer system to notify affected parties of any unauthorized access to such data.
5. **"Claim"** means any civil action, suit, proceeding or written demand seeking to hold You responsible for monetary **Damages** resulting from any actual or alleged **Wrongful Act**.
6. **"Computer System"** means any computer and any input, output, processing, storage or communications device, or any related network operating system or application software, that is connected to, or used in connection with such computer including laptops, tablets, smartphones and networking equipment, which is rented by, owned by, licensed to, or under the direct operational control of the **Insured**.
7. **"Damages"** means compensatory monetary amounts for which the **Insured** is legally liable, including judgments (inclusive of any pre- or post-judgment interest), awards, or settlements that are negotiated with Our consent, punitive or exemplary damages or the multiple portion of any multiplied damage award pursuant to applicable law which most favors coverage for such damages, unless such damages are uninsurable by law. **Damages** shall not include any of the following:
- a. **Regulatory Fines**;
  - b. taxes, statutory penalties or sanctions whether imposed by law or otherwise;
  - c. the return of or restitution of fees, commissions or charges;
  - d. amounts for which You are not financially liable;
  - e. equitable relief, including any fees, costs or expenses incurred by You to comply with any such equitable relief; or
  - f. any items constituting **Damages** within the definition as set forth above which may be deemed uninsurable under applicable law;
  - g. **Defense Costs**.
8. **"Defense Costs"** means reasonable and necessary expenses and legal fees incurred with Our consent, such consent shall not be unreasonably withheld, in the investigation, adjustment, defense or appeal of a **Claim** against You. **Defense Costs** shall not include salaries, overhead, wages or benefit expenses of Yours, or salaries, overhead, wages or benefit expenses of Our employees, officers or staff attorneys.
9. **"Extended Reporting Period"** means the applicable period of time after the end of the **Policy Period** for reporting **Claims** for any **Wrongful Act** committed or alleged to have been committed on or subsequent to the **Retroactive Date**, and prior to the end of the **Policy Period**.
10. **"Insured"** means the **Named Insured**, and shall include any past, present or future:

- a. partner, principal, director, officer, managing member, trustee, shareholder, or employee of the **Named Insured** or any **Subsidiary**, solely while acting on behalf of the **Named Insured** or **Subsidiary** in the scope of his or her duties as such;
  - b. temporary or leased employee or intern hired as such by the **Named Insured** and/or any otherwise covered **Subsidiary**, working under the direct supervision of an **Insured** and on behalf of such **Insured**;
  - c. the lawful spouse or legally recognized domestic partner of any **Insured**; provided, however, coverage will apply only if the spouse or domestic partner is a party to any **Claim** solely in his or her capacity as a spouse or domestic partner of such **Insured** person; and such **Claim** seeks **Damages** recoverable from marital community property, property jointly held by such **Insured** and spouse or domestic partner, or property transferred from such **Insured** to the spouse or domestic partner. No coverage shall be provided for any actual or alleged **Wrongful Act** by such spouse or domestic partner;
  - d. the estate, heirs, executors and legal representatives of an **Insured** in the event of the **Insured's** death, disability incapacity, insolvency, or bankruptcy, but only to the extent such **Insured** would have otherwise been provided coverage under this Policy;
  - e. an independent contractor, but only with respect to **Professional Services** which were rendered or should have been rendered on behalf of the **Named Insured** and/or any otherwise covered **Subsidiary** and within the scope of his or her duties as such; and
  - f. any **Subsidiary** but only with respect to any **Wrongful Act** that occurs while such entity is a **Subsidiary** of the **Named Insured**.
11. **"Interrelated Wrongful Acts"** means all **Wrongful Acts** based on, arising out of, directly or indirectly from, or in any way involving the same or related facts, circumstances, situations, transactions or events.
12. **"Mediation"** means a non-binding process in which the parties to a **Claim**, with Our consent, use a mediator to assist the parties in reaching a mutual and binding settlement. **Mediation** does not include litigation, arbitration or any court mandated proceeding.
13. **"Named Insured"** means the individual, partnership, corporation, limited liability company or other entity named in **ITEM 1.** of the Declarations.
14. **"Personal Injury"** means false arrest, detention, imprisonment, malicious prosecution, wrongful entry, eviction or other invasion of private occupancy, libel, slander or other defamatory or disparaging material, or publication or utterance in violation of an individual's right of privacy.
15. **"Policy Period"** means the period from the inception date to the expiration date stated in **ITEM 2.** of the Declarations, or any earlier cancellation date of this Policy.
16. **"Professional Services"** means services performed by You for others for a fee, commission or pro-bono, as a property, casualty, surety, life, accident, health or other insurance agent; insurance broker; insurance consultant; educator; employee benefits consultant, expert witness concerning any insurance related subject; managing general agent; managing general underwriter; program administrator; general agent; surplus lines broker; wholesale broker; claims adjuster; third party administrator; cobra administrator; claims appraiser; notary; premium financing coordinator; or as part of any loss control or risk management service. **Professional Services** shall include such services as provided via electronic means or methods as well as electronic dissemination of insurance or risk related content or material.
17. **"Regulatory Expenses"** means reasonable and necessary fees, costs and expenses consented to by Us resulting solely from the investigation, defense and appeal of a **Regulatory Proceeding** against You.
18. **"Regulatory Fines"** means any civil monetary fine or penalty imposed as a result of a **Regulatory Proceeding** or by the Payment Card Industry (PCI) Security Standards Council. **Regulatory Fines** shall not include any civil monetary fines or penalties that are not insurable by law, criminal fines, disgorgement of profits, or multiple damages.
19. **"Regulatory Proceeding"** means a civil, formal administrative or formal regulatory proceeding against You brought by or on behalf of any state's attorney general, the Federal Trade Commission, the Federal Communications Commission, or any other federal, state, local or foreign governmental entity, resulting from an actual or suspected **Breach**, or a proceeding against You by the PCI Standards Council alleging a failure to comply with PCI Data Security Standards.
20. **"Retroactive Date"** means the Date designated in **ITEM 5.** of the Declarations. This Policy shall not apply to any **Wrongful Acts** committed prior to this date.

21. **“Third Party Data”** means the following when in the care, custody or control of You, including when held by an outside service provider on Your behalf:
- a. non-public personal information of an individual including social security number, driver’s license number, passport number, financial account information, email address, passwords, web browsing history, location data and biometric data;
  - b. protected health information as defined in the Health Insurance Portability and Accountability Act of 1996, and any similar statute;
  - c. any third party’s corporate information which is specifically identified as confidential and protected under a nondisclosure agreement or similar written contract.

**Third Party Data** includes data in electronic and hard copy format.

22. **“Subsidiary”** means any entity in which the **Named Insured** directly or indirectly has an ownership interest of fifty percent (50%) or more. No coverage shall apply to any **Subsidiary** for any **Wrongful Act**:
- a. which takes place prior to its becoming a **Subsidiary** of the **Named Insured** unless specifically endorsed hereon, or
  - b. until the conditions set forth in Section VII. **CONDITIONS**, 4. Acquisitions/Creations and Sale of Subsidiaries are satisfied.
23. **“Subpoena Inquiry”** means any subpoena to produce documents, to be deposed or to appear as a witness for litigation to which You are not a party.
24. **“Wrongful Act”** means any actual or alleged act, error or omission including a **Personal Injury** committed solely in the performance of or failure to perform **Professional Services**.

#### IV. EXCLUSIONS

This Policy shall not apply to any **Claim, Administrative Proceeding, Regulatory Fine** or **Subpoena Inquiry** based on, directly or indirectly arising out of or resulting from any actual or alleged:

- 1. criminal, fraudulent, and/or dishonest acts or omissions by any **Insured**. We shall defend You until a judgment or other final non-appealable adjudication adverse to You establishes such conduct, but only if these allegations arise out of **Professional Services** which are otherwise covered under this Policy. You shall reimburse Us for all **Defense Costs** if such conduct is established as a matter of fact in a civil, arbitration or other proceeding, or is admitted to by any **Insured**. However, this exclusion shall not apply to an **Insured** who did not commit, or have knowledge of, or participate in such conduct and the conduct or knowledge of one **Insured** shall not automatically be imputed to another **Insured**.
- 2. act or omission committed with knowledge of its wrongful nature or with intent to cause damage. However, such conduct or knowledge of one **Insured** shall not automatically be imputed to another **Insured**.
- 3. act, error, omission, fact or circumstance which is the subject of any notice or **Claim** under any prior Policy, or any other act, error, omission, fact or circumstance logically or causally connected to such notice or **Claim**.
- 4. **Wrongful Act** first committed prior to the beginning of the **Policy Period** if, before the inception date of this Policy, any **Insured** knew or could have reasonably foreseen that such **Wrongful Act** did or could result in a **Claim**. However, if this Policy is a renewal of one or more policies previously issued to You, and the insurance provided to You was in effect without interruption for the entire time between the inception date of the first such other Policy and the inception date of this Policy, then the reference above to the inception date of this Policy will instead refer to the inception date of the first Policy under which you were provided with continuous and uninterrupted insurance.
- 5. bodily injury to or sickness, disease or death of any person, or damage to or destruction of any property, including the loss of use thereof. However, this exclusion shall not apply to a **Claim** alleging **Damages** that solely arise from **Professional Services**.
- 6. unfair competition, or infringement of any patent, trademark, trade dress, service mark, trade secret, slogan or copyright. However, this exclusion shall not apply to any **Claim** of accidental or unintentional copyright infringement

arising out of insurance or risk related content or material first electronically disseminated by the **Insured** on or after the **Retroactive Date**.

7. violation of the Telephone Consumer Protection Act, any federal and/or state anti-spam statutes, or any federal, state and/or local law similar to the foregoing.
8. placement of or failure to place any reinsurance, or sale of or failure to sell any securities. However, for the purposes of this exclusion, mutual funds, annuities and life insurance shall not be considered securities.
9. performance of or failure to perform any actuarial services or the commingling of or failure to collect or safeguard any money.
10. guarantee of any future premium payment, of any investment result or return, of any interest rate or yield, or of any tax consequence in connection with any life insurance product, annuity, mutual fund or security.
11. **Claim** made by any entity that wholly or partially controls, manages or operates any **Insured**, or owns more than 10% of any **Insured**, separately or in combination, at the time **Professional Services** are performed.
12. bankruptcy of, suspension of payments or failure to pay monies due, in whole or in part, by any:
  - a. broker or dealer in securities or commodities; or
  - b. bank or banking firm; or
  - c. insurance, reinsurance or bonding company; or
  - d. self-insurance plan, insurance pool or reciprocal, captive insurance company or risk retention group; or
  - e. managed care organization, health maintenance organization, preferred provider organization, independent physician organization or physician hospital organization.

However, this exclusion shall not apply if, as of the effective date of a bond or insurance policy issued to Your client, the bonding or insurance company issuing the bond or insurance policy was:

- a. rated B+ or higher by A.M. Best Company;
- b. guaranteed by a governmental body or bodies and/or operated by a governmental body or bodies (including but not limited to Assigned Risk Plans, Joint Underwriting Associations, Fair Plans or State Insurance Funds);
- c. a County Mutual reinsured by carriers rated no less than B+; or
- d. rated A or better by Demotech.

## V. DEFENSE AND SETTLEMENT OF CLAIMS

### 1. Duty to Defend

We shall have the right and the duty to defend any **Claim** brought against You seeking **Damages** because of a **Wrongful Act**, even if it is groundless, false or fraudulent. We shall pay **Defense Costs** on Your behalf resulting from such **Claim**. We shall have the right to select Defense Counsel for You.

### 2. Settlement

We may investigate and solicit settlement offers for any **Claim**. No offer to settle a **Claim** will be accepted without the **Named Insured's** consent, such consent is not to be unreasonably withheld. If We recommend that the **Named Insured** accept the judgment of the trial court, appellate court, or any negotiated settlement or settlement offer and the **Named Insured** is not willing to accept such judgment or settlement, Our liability for such **Claim** shall not exceed the amount for which We could have resolved such **Claim**, (proposed resolution amount) plus any **Defense Costs** incurred up to the date We made the recommendation to resolve the **Claim**, plus 70% of any **Damages** and **Defense Costs** exceeding the proposed resolution amount. The remaining 30% of any **Damages** and **Defense Costs** shall be borne by the **Named Insured** at the **Named Insured's** own risk and will be uninsured.

### 3. Cooperation and Assistance

You shall, with respect to each covered **Claim** under this Policy:

- a. cooperate with Us and upon our request attend hearings, trials and depositions and assist in securing and giving evidence and obtaining the attendance of witnesses;
- b. assist in making settlements, participate in litigation defense strategies, including the making of Offers of Judgment, or any action seeking declaratory relief (which is not a coverage action);
- c. assist in the enforcement of any right or contribution or indemnity against any person or organization who or which may be liable to any **Insured** in connection with a **Claim**;
- d. provide Us with any relevant materials in Your possession that will assist in the defense of the **Claim** or the determination of coverage. If We request, You will agree to a deposition under oath.

You may not, except at Your own expense, voluntarily make any payment, assume any obligation or incur any expense without Our prior written consent.

## VI. LIMIT OF LIABILITY, DEFENSE COSTS AND DEDUCTIBLE

### 1. Limits of Liability and Defense Costs

Regardless of the number of **Claims** or **Breaches**, the number of persons or entities included within the definition of **Insured**, or the number of claimants who make **Claim** against You:

- a. If **ITEM 3.A.3.** of the Declarations is marked “No”, The amount stated in **ITEM 3.A.1.** of the Declarations as applicable to Professional Liability shall be the maximum limit of Our liability to pay for all **Damages** and **Defense Costs** resulting from each **Claim** for a **Wrongful Act** or series of continuous, repeated or **Interrelated Wrongful Acts**. If additional **Claims** are subsequently made which arise out of the same **Wrongful Act** or series of continuous, repeated or **Interrelated Wrongful Acts** as **Claims** already made, all such **Claims**, whenever made, shall be considered first made within the **Policy Period** or **Extended Reporting Period** in which the earliest **Claim** arising out of such **Wrongful Act** was first made, and all such **Claims** shall be subject to one Limit of Liability.
- b. If **ITEM 3.A.3.** of the Declarations is marked “No”, The amount stated in **ITEM 3.A.2.** of the Declarations as applicable to Professional Liability Aggregate shall be the maximum limit of Our liability to pay for the sum of all **Damages** and **Defense Costs** for all **Claims** covered under this Policy.
- c. If **ITEM 3.A.3.** of the Declarations is marked “Yes”, then **Defense Costs** are in addition to the applicable Limits of Liability, and payment of **Defense Costs** by Us shall not reduce or exhaust, the applicable Limits of Liability until such time as the **Defense Costs** Aggregate amount in **ITEM 3.A.3(i)** is exhausted. Once the **Defense Costs** Aggregate amount is exhausted by payment of **Defense Costs**, any subsequent **Defense Costs** shall be part of and not in addition to the applicable Limits of Liability as designated by **ITEM 3.A.1.** and **3.A.2.** of the Declarations.
- d. If **ITEM 3.A.3.** of the Declarations is marked “Yes”, the amount stated in **ITEM 3.A.2.** of the Declarations as applicable to Professional Liability Aggregate shall be the maximum limit of Our liability to pay for the sum of all **Damages** for all **Claims** covered under the Policy.
- e. **ITEM 3.B.** will be part of and not in addition to the Limit of Liability stated in **ITEM 3.A.1.** and **2.**

We shall not be obligated to pay any **Damages** or **Defense Costs** or to defend or continue to defend any **Claim** after the applicable Limit of Liability has been exhausted.

### 2. Deductible

We shall only be obligated to pay **Damages, Defense Costs**, costs and expenses incurred by You for **Breach Management Services** and **Regulatory Fines** which are in excess of the Deductible stated in **ITEM 4.** of the Declarations. This Deductible shall be borne by You, shall remain uninsured and its payment is a condition precedent to any payment by Us on Your behalf under this Policy. We shall have no obligation to pay all or any part of the Deductible on your behalf, but We shall, at Our sole discretion, have the right and option to do so, in which event You agree to reimburse Us any amounts so paid upon Our demand.

**1. Territory**

This Policy applies to **Wrongful Acts, Claims or Breaches** committed anywhere in the world.

**2. Notice and Reporting of Claim or Breach**

As a condition precedent to Our obligations under this Policy, You must give written notice to Us of any **Claim** made against You, **Regulatory Proceeding** or any **Breach** as soon as practicable but in no event later than sixty (60) days after the end of the **Policy Period** or, if applicable, any **Extended Reporting Period**.

Written notice shall be sent to:

Aspen American Insurance Company  
590 Madison Avenue  
New York, NY 10022  
professionalliability.claims@aspenspecialty.com

**3. Reporting of Potential Claims**

If during the **Policy Period** You become aware of any **Wrongful Act** or incident which might reasonably be expected to give rise to a **Claim**, and provide Us written notice during the **Policy Period** of the nature and date of the circumstances, specifics of the **Wrongful Act** and the name of the potential claimant, then any **Claim** subsequently made against You arising from such **Wrongful Act** shall be deemed to have been first made on the date such written notice was received by Us. However, this provision does not apply during any **Extended Reporting Period**.

**4. Acquisitions/Creations and/or Sale of Subsidiaries**

a. An entity in which the **Named Insured** directly or indirectly has an ownership interest of fifty percent (50%) or greater, which is disclosed to Us on one or more application(s) or supplemental application(s) for this coverage received by Us or our authorized representative prior to the inception date unless otherwise noted, shall, at the inception date of this Policy, be considered a **Subsidiary** and an **Insured** under this Policy.

b. If during the **Policy Period**, the **Named Insured**:

i. acquires or creates a **Subsidiary**, such entity shall be considered an **Insured** under this Policy:

1) for a period of ninety (90) days from the effective date of the acquisition or creation, but only for **Wrongful Acts** which occur while the entity is a **Subsidiary**.

2) Such coverage will apply beyond the ninety (90) day period if:

a) written notice of such acquisition or creation with all the particulars and details about the entity and its acquisition or creation that We may require is provided to Us, and

i) You accept any terms, conditions, or exclusions proposed by Us relative to the **Subsidiary** and, if applicable, promptly pay Us any premiums that We may require for the inclusion of the **Subsidiary**, and

ii) We agree in writing to provide such coverage; or

b) if the **Subsidiary** becomes so owned after the inception date of the Policy, and:

i) its gross annual revenues do not exceed 25% of the **Named Insured's** gross annual revenues at the time it becomes so owned; and

ii) that all business lines and insurance products provided by this entity were also previously provided by the **Insured** and fall within the scope of the **Professional Services** of the **Named Insured** as disclosed to Us on one or more application(s) or supplemental application(s) for this coverage.

- ii. ceases to have an ownership interest of fifty percent (50%) or greater in any entity that previously qualified as a **Subsidiary** under the Policy, then coverage for such entity shall apply only to **Wrongful Acts** occurring prior to date the **Named Insured** ceased to have an ownership interest of fifty percent (50%) or more.

## 5. Extended Reporting Period:

### a. Automatic Extended Reporting Period

If You or We cancel or non-renew this Policy for any reason other than nonpayment of premium, then the insurance afforded by this Policy shall be automatically extended, subject otherwise to its terms, limits of liability, exclusions and conditions, to apply to **Claims** first made against You and reported during the sixty (60) days immediately following the effective date of such cancellation or non-renewal, but only with respect to a **Wrongful Act** occurring before the effective date of cancellation, and on or after the **Retroactive Date** stated in **ITEM 5.** of the Declarations. Such period shall hereinafter be referred to as the “Automatic **Extended Reporting Period.**” No Automatic **Extended Reporting Period** is in effect if this Policy is renewed with Us.

### b. Optional Extended Reporting Period

If this Policy is not renewed for any reason or is cancelled for any reason other than for non-payment of premium, You shall have the right, upon written request and the payment of an additional premium of seventy-five percent (75%) of the total annual premium stated in **ITEM 6.** of the Declarations, to a period of twelve (12) months immediately following the Automatic **Extended Reporting Period** in which to give Us written notice of **Claims** for **Wrongful Acts** occurring before the effective date of cancellation or nonrenewal, and on or after the **Retroactive Date** stated in **ITEM 5.** of the Declarations. Your rights contained in this clause will terminate unless We receive written notice of Your intent to exercise such rights along with the additional premium due within thirty (30) days of the effective date of cancellation or non-renewal. If You do not make this election, You shall not have the right to purchase the Optional **Extended Reporting Period** at a later time. This clause does not increase or renew the limits of Our liability and it does not apply to **Wrongful Acts** subsequent to the effective date of cancellation or non-renewal. A twenty-four (24) month **Extended Reporting Period** is available for one-hundred-thirty-five percent (135%), thirty-six (36) months for one-hundred-seventy-five percent (175%), forty-eight (48) months for one-hundred-ninety-five percent (195%) and sixty (60) months for two-hundred-ten percent (210%). Premiums due under this clause will be fully earned when paid and once paid this coverage may not be cancelled.

## 6. Cancellation

You may cancel this Policy by surrendering it to Us or by delivering or mailing to Us notice stating when thereafter such cancellation shall be effective. We may cancel this Policy only for non-payment of premium or Deductible by delivering or mailing to You by registered, certified or other first-class mail written notice stating when not less than ten (10) days thereafter, cancellation shall be effective.

## 7. Authorization

The **Named Insured** shall be the sole agent and shall act on behalf of all **Insureds** with respect to all matters under this Policy, including giving and receiving notices, effecting or accepting endorsements to or cancellation of this Policy, the payment of premium and receipt of any return premiums, and the purchase of the **Extended Reporting Period.**

## 8. Changes

Notice to any agent or knowledge possessed by any agent or other person shall not effect a waiver or change in any part of this Policy or estop Us from asserting any of Our rights. The terms, conditions and limitations of this Policy can only be waived or changed by written endorsement issued to form a part of this Policy.

## 9. Assignment

No assignment of interest under this Policy will be effective without Our written consent. However, in the event of Your death, incapacity or bankruptcy this Policy will apply to Your estate, heirs, legal representatives or assigns as if they were You, but only for **Wrongful Acts** committed by You otherwise covered by this Policy.



## 10. Subrogation

If We make any payment under this Policy, We shall be subrogated to all Your rights of recovery therefore. You shall do whatever is necessary to secure such rights, and You shall do nothing to prejudice such rights. Any amount recovered in excess of Our total payment shall be restored to You, less the cost to Us for the recovery. We will not exercise subrogation rights against an **Insured**.

## 11. Other Insurance

This Policy shall apply only as excess over, and shall not contribute with, any other valid and collectible insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this Policy.

## 12. Action Against Us

No action shall be taken against Us unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and the amount of Your obligation to pay shall have been finally determined either by judgment against You after adjudicatory proceedings, or by written agreement between the claimant and Us. No person or entity shall have any right under this Policy to join Us as a party to any **Claim** against You to determine Your liability, nor shall We be impleaded by You or Your legal representative in any such **Claim**.

## 13. Bankruptcy

Bankruptcy or insolvency of You or of Your estate shall not relieve Us of any of Our obligations under this Policy.

## 14. Headings

The descriptions in the headings and sub-headings of this Policy are solely for convenience and form no part of the terms and conditions of the Policy.

## 15. Liberalization

If we file with the appropriate regulator, general revisions to the terms and conditions of this Policy to provide more coverage without an additional premium charge, then Your Policy will automatically provide this additional coverage as of the date the filed revision is effective in the state shown in **ITEM 1.** of the Declarations.

## 16. Change In Control

If the **Named Insured** merges with or is acquired by another organization or a receiver, conservator, trustee, liquidator or rehabilitator is appointed to take control of, supervise, manage or liquidate the **Named Insured**, coverage under this Policy will continue until the end of the **Policy Period**, but only with respect to **Wrongful Acts** or **Breaches** which first took place prior to the effective date of such merger, acquisition or appointment. The premium for this Policy will be deemed fully earned as of the effective date of such merger, acquisition or appointment.

## 17. Representations

You agree that all representations made and statements contained within the Application for this Policy are true, accurate, and complete. Such statements and information are the basis for Our issuance of this Policy and are incorporated into and constitute a part of this Policy. In the event of any material untruth, inaccurate or incomplete information or misrepresentation in the Application, this Policy will be void ab initio.

## 18. Entire Agreement

You agree that this Policy, including the Application and any endorsements, constitutes the entire agreement between You and Us relating to this insurance. The terms, conditions and limitations of this Policy can only be waived or changed by written endorsement issued by Us.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**BREACH RESPONSE GUIDE**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

1. The third party service providers (each a "Preferred Provider") and their respective services described in this endorsement are pre-approved by Us to assist You in the event of a **Breach**. Preferred Providers are not affiliated with Us and are solely responsible for all services.

**2. BREACH MANAGEMENT SERVICES HOTLINE:**

The Breach Management Services Hotline (BMSH) is provided to assist You with responding rapidly, and consistent with industry best practices, to a **Breach**. An **Insured** calling the BMSH will be prompted to leave a voicemail, including return contact information and their Aspen Policy number. The voice message will then be automatically forwarded to Us, as well as to the **Breach Management Services** Preferred Provider identified in Paragraph **3.a.** of this endorsement. You will typically receive a response from either the **Breach Management Services** Preferred Provider or Us within four (4) business hours from the time such voicemail was received, however, longer response times may occur.

Calling the BMSH is not a substitute for the **Insured's** reporting and notice obligations under the Policy. As a condition precedent to coverage, the **Insured** must comply with all obligations under the Policy, including without limitation, providing Us notice of any **Breach** in accordance with Section **IV. CONDITIONS**, subsection **2. Notice and Reporting of Claim of Breach** of this Policy.

**BREACH MANAGEMENT SERVICES HOTLINE:**

«PhoneNumber»

**3. Breach Management Services:**

- a. Mullen Coughlin, LLC is the exclusive Preferred Provider pre-approved by Us to provide **Breach Management Services**, as defined in Section **III. DEFINITIONS**, subsection **3.d., 3.e., 3.f. and 3.g.**, in connection with a **Breach**. Any decision to engage the services of Mullen Coughlin, LLC is solely at the **Insured's** discretion.

If the **Insured** does elect to retain the services of Mullen Coughlin, LLC, the **Insured** agrees to execute an engagement letter outlining the services to be provided. Our liability will only apply to **Breach Management Services**, as defined in Section **III. DEFINITIONS**, subsection **3.d., 3.e., 3.f. and 3.g.**, provided by Mullen Coughlin, LLC, regardless of any other services that may be stated in the engagement letter between the **Insured** and Mullen Coughlin, LLC or otherwise provided by Mullen Coughlin, LLC.

- b. Ankura is the Preferred Provider pre-approved by Us to provide **Breach Management Services**, as defined in Section **III. DEFINITIONS**, subsection **3.a.**, to the **Insured** in connection with a **Breach**. Ankura's services include:
  - i. Evaluation and analysis of the **Insured's Computer System** to gather and preserve evidence for determining the breadth and source of a **Breach**;
  - ii. Data mining to identify the affected parties; and
  - iii. Remediation of a **Breach** on the **Insured's Computer System**.

- c. AllClear ID is the Preferred Provider pre-approved by Us to provide **Breach Management Services**, as defined in Section III. **DEFINITIONS**, subsection 3.b. and 3.c. on behalf of the **Insured** in connection with a **Breach**. AllClear ID's services include:
  - i. Management of notification letter printing, mailing (via first class mail) and return mailing processing;
  - ii. Change of address lookup and address verification;
  - iii. Social Security Number verification and death registry lookup;
  - iv. Enrollment in Triple Bureau Credit Monitoring for a period up to twelve (12) months from the date of enrollment;
  - v. Enrollment in ChildScan for individuals under the age of 18, with continuous service until they reach the age of majority;
  - vi. Automatic enrollment in Identity Protection, Repair and Resolution Services for a period of twelve (12) months from the date of enrollment; and
  - vii. Call Center Services for a period of up to «CallCenServMonths» following notification of a **Breach**.
- 4. Nothing in this endorsement is meant nor will it be construed as a guarantee that the Preferred Providers will be available to provide the services described herein. We reserve the right to substitute a provider of like qualifications and competency in the event that a Preferred Provider is unavailable to perform the services. We may also change, amend or supplement its Preferred Providers from time to time for any reason. Both We and You will agree in writing prior to retaining any vendor that is not a Preferred Provider.
- 5. Without the prior written consent of Us, no coverage will be available under this Policy for any services performed by, or any engagement of, any third party service providers that are not specifically identified in this endorsement.

If the **Insured** elects, with the prior written consent of Us, to engage the services of a third party service provider not identified as a Preferred Provider in this endorsement, any costs and expenses by You for **Breach Management Services** incurred shall be borne by the **Insured** at the Insured's own risk and will be uninsured.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED SPECIFIC RETROACTIVE COVERAGE ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that the following are added as additional insureds, but only with respect to **Professional Services** which were performed, or which should have been performed by or on behalf of the person or entity named in **ITEM 1.** of the Declarations:

<u>Name</u>	<u>Retroactive Date</u>
«NAME»	«RETROACTIVE DATE»
«NAME»	«RETROACTIVE DATE»

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDED NAMED INSURED ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that **ITEM 1.** of the Declarations has been amended to include the following:

«Name»

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT AMENDS THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDED SETTLEMENT CONDITIONS ENDORSEMENT – NEW YORK**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

1. Section V. **DEFENSE AND SETTLEMENT OF CLAIMS**, subsection 2. **Settlement** is deleted and replaced with the following:

**2. Settlement**

We may investigate and solicit settlement offers for any **Claim**. No offer to settle a **Claim** will be accepted without the **Named Insured's** consent, such consent is not to be unreasonably withheld. If We recommend that the **Named Insured** accept the judgment of the trial court, appellate court, or any negotiated settlement or settlement offer and the **Named Insured** is not willing to accept such judgment or settlement, Our liability for such **Claim** shall not exceed the amount for which We could have resolved such **Claim**, (proposed resolution amount) plus any **Defense Costs** incurred up to the date. The remaining **Damages** and **Defense Costs** shall be borne by the **Named Insured** at the **Named Insured's** own risk and will be uninsured.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**BAD FAITH ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that this Policy shall not apply to any **Claim** based on, directly or indirectly arising out of or resulting from any:

1. refusal or intentional failure to pay or intentional delay in paying all or part of any benefit or payment due or alleged to be due under any insurance contract, bond or any benefit plan; or
2. lack of good faith or fair dealing in the handling of any claim or obligation due or alleged to be due under any insurance contract, bond or any benefit plan.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CHANGE IN DEDUCTIBLES ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that the following changes are being made to Your Policy:

ITEM 4. of the Declarations is amended to read as follows:

**ITEM 4. DEDUCTIBLE:**

\$ \_\_\_\_\_ Each **Wrongful Act, Claim, Breach, Regulatory Proceeding** or series of continuous, repeated or **Interrelated Wrongful Acts, Claims, Breaches or Regulatory Proceedings.**

\$ \_\_\_\_\_ Policy Aggregate for all **Wrongful Acts, Claims, Breaches, Regulatory Proceedings** or series of continuous, repeated or **Interrelated Wrongful Acts, Claims, Breaches or Regulatory Proceedings.**

This endorsement shall not apply to:

1. any **Claim, Breach or Regulatory Proceeding**, notice of **Claim** or potential **Claim** reported to Us prior to the effective date of this endorsement; or
2. Any **Claims, Breaches or Regulatory Proceedings**, notice of **Claims** or potential **Claims** arising from circumstances which prior to the effective date of this endorsement, any **Insured** would have had a basis to reasonably anticipate may result in a **Claim, Breach or Regulatory Proceeding.**

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: <policyNumber>

Issued by: <issuedBy>

Issued to: <issuedTo>

Effective date: <effectiveDate>

**THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.**

**CHANGE IN LIMITS OF LIABILITY ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

1. **ITEM 3.A.** of the Declarations is amended to read as follows:

**A. Professional Liability:**

1. \$\_\_\_\_\_ Each **Claim** for a **Wrongful Act** or series of continuous, repeated or **Interrelated Wrongful Acts**.
2. \$\_\_\_\_\_ Aggregate
3. **Defense Costs** in addition to the limits stated above:  Yes  No

2. This endorsement shall not apply to:

- a. any **Claim**, notice of **Claim** or potential **Claim** reported to Us prior to the effective date of this endorsement; or
- b. Any **Claims**, notice of **Claims** or potential **Claims** arising from circumstances which prior to the effective date of this endorsement, any **Insured** would have had a basis to reasonably anticipate may result in a **Claim**.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**DELETION OF REINSURANCE EXCLUSION**

In consideration of the premium that We have charged you, it is hereby understood and agreed that Section **IV. EXCLUSIONS**, Exclusion 8. is deleted in its entirety and replaced with the following:

- 8.** sale of or failure to sell any securities. However, for the purposes of this exclusion, mutual funds, annuities and life insurance shall not be considered securities.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

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Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ERISA EXCLUSION ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that this Policy shall not apply to any **Claim** based on, directly or indirectly arising out of or resulting from any breach of duty imposed by Employee Retirement Income Security Act of 1974 (Public Law 93-406) or any amendments thereto, or breach of duty imposed by any other law.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXTENDED REPORTING PERIOD (TAIL ONLY) FOR A SPECIFIC ENTITY  
ENDORSEMENT – NEW YORK**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

1. Solely with respect to «SpecificEntity», Section **VII. CONDITIONS**, subsection **5. Extended Reporting Period** is deleted in its entirety with respect to «SpecificEntity», and Section **I. INSURING AGREEMENTS**, subsection **I. A.** is amended by inclusion of the following:

We shall pay on Your behalf up to the applicable Limit of Liability set forth in **ITEM 3.A.** of the Declarations all sums which «SpecificEntity» shall become legally obligated to pay as **Damages** and **Defense Costs** resulting from any **Claim** first made against «SpecificEntity» during the **Policy Period** for any **Wrongful Act** by «SpecificEntity» or of any other person for whose actions «SpecificEntity» is legally responsible, but only if the **Wrongful Act** is first committed on or after the **Retroactive Date** stated in **ITEM 5.** of the Declarations and before «Date».

2. This policy premium shall be fully earned as of the effective date of this endorsement, and this Policy may not be cancelled by You, «SpecificEntity» or Us except for non-payment of premium.
3. «SpecificEntity» shall have up to and including «TailDate» in which to give Us written notice of any **Claim** otherwise covered by this Policy.
4. This endorsement does not increase or renew Our Limits of Liability.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.**

**FIRST DOLLAR DEFENSE DEDUCTIBLE ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **VI. LIMIT OF LIABILITY, DEFENSE COSTS AND DEDUCTIBLE**, subsection **2. Deductible** is amended, in part and solely with regards to **Claims** under the Professional Liability Insuring Agreement, to apply only to **Damages**, and the deductible shall not apply to **Defense Costs**.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**HIPAA EXPANSION ENDORSEMENT – NEW YORK**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

1. Section **III. DEFINITIONS** is amended to include the following:

**“Confidential Health Information”** means information pertaining to a client that has been received or created by You or provided by You to another, which is subject to protection pursuant to **HIPAA**, including an individual’s health or health care treatment information, including the fact that any such individual has been treated by any provider.

**“Confidential Personal Information”** means information not available to the general public from which an individual may be identified, including without limitation an individual’s name, address, telephone number, social security number, account relationships, account numbers, account balances and account histories.

**“HIPAA”** means the Health Insurance Portability and Accountability Act, including any rules or regulations promulgated thereunder.

**“HIPAA Fines and Penalties”** means fines and penalties for the failure to comply with the requirements and standards of **HIPAA**, including fines and penalties imposed by the Department of Health and Human Services or its designees.

**“HIPAA Proceeding”** means an administrative proceeding, including a complaint, investigation or hearing instituted against You by the Department of Health and Human Services or its designee alleging a violation of responsibilities or duties imposed upon You under **HIPAA** with respect to the management of **Confidential Health Information** and/or **Confidential Personal Information** but solely to the extent that such proceeding is commenced against You during the **Policy Period** and is reported to Us within sixty (60) days after You receive notice of such proceeding.

2. Section **III. DEFINITIONS**, subsections **5.** and **7.** are deleted in their entirety and replaced with the following:

5. **“Claim”** means any civil action, suit, proceeding, **HIPAA Proceeding** or written demand seeking to hold You responsible for monetary **Damages** or violations of **HIPAA** resulting from any actual or alleged **Wrongful Act**.

7. **“Damages”** means compensatory monetary amounts for which the **Insured** is legally liable, including judgments (inclusive of any pre-judgment interest), awards, or settlements that are negotiated with Our consent. **Damages** shall not include any of the following:

- a. **Regulatory Fines;**
- b. taxes, statutory penalties or sanctions whether imposed by law or otherwise;
- c. the return of or restitution of fees, commissions or charges;
- d. amounts for which You are not financially liable;
- e. equitable relief, including any fees, costs or expenses incurred by You to comply with any such equitable relief;
- f. matters which are uninsurable under applicable law, including, without limitation, matters which would constitute the elements of a crime or misdemeanor, or matters of entitlement to non-employment related benefits, provided directly or indirectly from a government, governmental agency or political subdivision;
- g. **Defense Costs;** or
- h. **HIPAA Fines and Penalties.**

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PROFESSIONAL SERVICES ENDORSEMENT; INCLUDE HUMAN RESOURCES  
CONSULTANT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section III. **DEFINITIONS**, subsection 16. "**Professional Services**" is amended as follows:

**16. "Professional Services"** means services performed by You for others for a fee, commission or pro-bono, as a property, casualty, surety, life, accident, health or other insurance agent; insurance broker; insurance consultant; educator; employee benefits consultant, expert witness concerning any insurance related subject; managing general agent; managing general underwriter; program administrator; general agent; surplus lines broker; wholesale broker; claims adjustor; third party administrator; cobra administrator; claims appraiser; notary; premium financing coordinator; human resources consultant; or as part of any loss control or risk management service. **Professional Services** shall include such services as provided via electronic means or methods as well as electronic dissemination of insurance or risk related content or material.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: <policyNumber>

Issued by: <issuedBy>

Issued to: <issuedTo>

Effective date: <effectiveDate>

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**INSURANCE INSOLVENCY EXCLUSION AMENDMENT – SPECIFIC PROVIDER**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **IV. EXCLUSIONS**, Exclusion **12**. does not apply to the following:

«ENTERTEXT».

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**LIMITED ADDITIONAL INSURED ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

1. «NAME» is a Limited Additional Insured under this Policy but only with respect to **Claims** made against it, which involve vicarious liability for an act, error or omission of an **Insured** as defined and otherwise covered under this Policy.
2. No coverage is afforded to «NAME» for any **Claims** alleging or in any way involving any independent **Wrongful Act**, error or omission of «NAME».
3. We assume no obligation to defend «NAME» against such **Claims**. We will provide indemnity coverage only to the extent that «NAME» is held liable for an **Insured's** acts, errors or omissions.
4. No indemnity or defense obligation is afforded to «NAME» for any **Claims** alleging or in any way involving an independent negligent or intentional **Wrongful Act**, error or omission on the part of «NAME».

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PREMIUM FINANCE ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that this Policy shall not apply to any **Claim** based on, directly or indirectly arising out of, or resulting from any actual or alleged violation of the Fair Debt Collection Practices Act, Fair Credit Reporting Act, or similar State or Federal statute of law, including any amendments thereof.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: <policyNumber>

Issued by: <issuedBy>

Issued to: <issuedTo>

Effective date: <effectiveDate>

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PROFESSIONAL EMPLOYER SERVICES ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

**A.** Section **III. DEFINITIONS**, subsection **16. "Professional Services"** is amended by the addition of the following:

**Professional Services** shall also include the:

1. Recruiting of prospective clients for professional employer services pursuant to a Professional Employer Services Marketing Agreement ("PESMA") or similar agreement with the entities scheduled below;
2. Evaluation of client needs, gathering and obtaining client information as required by the PESMA or similar agreement with the entities scheduled below; and
3. Collection of initial deposits and remittance of payments as required by the PESMA or similar agreement with the entities specifically scheduled below.

SCHEDULE

Name of Scheduled Entity:

1. «Name»
2. «Name»

**B.** With respect to all coverage afforded by Part A of the Professional Employer Services Endorsement, Section **IV. EXCLUSIONS** is amended by the addition of the following:

- the failure of a Professional Employer Service Provider to pay the salaries, fees or benefits actually or allegedly due to any client, PESMA practitioner, Professional Employer Service Provider, Professional Employer Organization or such entity's insolvency, receivership and / or liquidation.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PROFESSIONAL SERVICES ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **III. DEFINITIONS**, subsection **16. "Professional Services"** is amended as follows:

*« restricted to risk management or loss control services such as MVR orders, contracted safety education and similar services - see state pages»*

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PROFESSIONAL SERVICES FOR FELLOW EMPLOYEES ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **IV. EXCLUSIONS**, Exclusion **11**. is amended by the addition of the following:

However this exclusion shall not apply to any **Claim** by reason of a **Wrongful Act** in the course of providing **Professional Services** for the procurement or placement of personal lines insurance coverage for an employee of the **Insured** in that employee's capacity as a client, but only if the **Insured** rendering such **Professional Services** has no equity interest in the property insured or to be insured through the **Insured's Professional Services**.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **REINSTATEMENT ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that this Policy is hereby reinstated in its entirety as of the Policy's date of inception. However, as a condition precedent to this Policy reinstatement, the **Insured** shall have reported any **Claim(s)** in writing to the **Insurers**, and that no **Insured** knew or could have reasonably foreseen that any **Wrongful Act** might give rise to a **Claim**; prior to the reinstatement of this Policy.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SEC EXCLUSION ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that this Policy shall not apply to any **Claim** based on, directly or indirectly arising out of or resulting from any violation of the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Advisers Act of 1940, or any amendments to the foregoing or any similar State statute.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: <policyNumber>

Issued by: <issuedBy>

Issued to: <issuedTo>

Effective date: <effectiveDate>

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SEVERABILITY OF APPLICATION – NEW YORK**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **VII. CONDITIONS**, subsection **17. Representations** is deleted in its entirety and replaced as follows:

**17. Representations**

You agree that all representations made and statements contained within the Application for this Policy are true, accurate, and complete. Such statements and information are the basis for Our issuance of this Policy and are incorporated into and constitute a part of this Policy. In the event of any material untruth, inaccurate or incomplete information or misrepresentation in the Application, the knowledge of one **Insured** person will not be imputed to any other **Insured** person, provided, however, that this Policy will be void:

- a. with respect to any **Insured** person who knew of such untruth, misrepresentation or inaccurate or incomplete information;
- b. with respect to the **Named Insured**, if, and only if, the signer of the Application knew of such untruth, misrepresentation or inaccurate or incomplete information; and
- c. if Our knowledge of such untruth, misrepresentation or inaccurate or incomplete information would have caused Us to not issue this Policy.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**POLICY CHANGES – NEW YORK**

This form may only be used to increase coverages or limits, respond to changes in rating base, or adjust policy details not considered to be terms of coverage, per Section 3426(d)(1) of New York Insurance Law.

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

The following item(s):

- |  |   |
|--|---|
| <input type="checkbox"/> Policy Number           | <input type="checkbox"/> Deductible             |
| <input type="checkbox"/> Named Insured           | <input type="checkbox"/> Premium                |
| <input type="checkbox"/> Named Insured's Address | <input type="checkbox"/> Notices To Be Sent To  |
| <input type="checkbox"/> Policy Period           | <input type="checkbox"/> Retroactive Date       |
| <input type="checkbox"/> Limits of Liability     | <input type="checkbox"/> Forms and Endorsements |

is (are) changed to read **{See Additional Page(s)}**:

The above amendments result in a change in the premium as follows:

<input type="checkbox"/>	<b>NO CHANGES</b>	<input type="checkbox"/>	<b>TO BE ADJUSTED AT AUDIT</b>	<b>ADDITIONAL PREMIUM</b>	<b>RETURN PREMIUM</b>
				\$	\$

Countersigned By:

(Authorized Representative)

**POLICY CHANGES ENDORSEMENT DESCRIPTION**

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

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Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SPECIFIC ENTITY EXCLUSION ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that this Policy shall not apply to any **Claim** based upon, arising out of, directly or indirectly, or in any way involving:

«Entity Name»

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SPECIFIC INDEPENDENT CONTRACTORS COVERAGE ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **III. DEFINITIONS**, subsection **10. "Insured"** is amended to include the following independent contractors, but only with respect to **Professional Services** which were rendered or should have been rendered on behalf of the person or entity stated in **ITEM 1.** of the Declarations:

«INDEPENDENT CONTRACTOR NAME»

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SPECIFIC INDEPENDENT CONTRACTORS EXCLUSION ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **III. DEFINITIONS**, subsection **10. "Insured"** is amended to exclude the following independent contractors for any **Professional Services** which were rendered or should have been rendered on behalf of the person or entity stated in **ITEM 1.** of the Declarations:

«INDEPENDENT CONTRACTOR NAME»

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SPECIFIC SERVICES EXCLUSION**

In consideration of the premium that We have charged You, it is hereby understood and agreed that this Policy shall not apply to any **Claim** based on, directly or indirectly, or arising out of **Professional Services** relating to:

«ENTER TEXT»

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SPLIT LIMIT RETROACTIVE DATE**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

The following Limits of Liability shall apply to any **Claim** arising out of any **Wrongful Act** which is first committed on or after the respective date(s) set forth below for each **Claim** for a **Wrongful Act** or series of continuous, repeated or interrelated **Wrongful Acts**:

<b>Dates:</b>	<b>Limits of Liability</b>
From: «Date» To: «Date»	\$«Amount»
From: «Date» To: «Date»	\$«Amount»
From: «Date» To: «Date»	\$«Amount»
From: «Date» To: «Date»	\$«Amount»
From: «Date» To: «Date»	\$«Amount»
«Date»	\$«Amount»

The Limits of Liability afforded by this endorsement are included within and not in addition to the Limits of Liability stated in the Declarations.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

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Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **U.S. ECONOMIC AND TRADE SANCTIONS ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

Whenever coverage provided by this Policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: <policyNumber>

Issued by: <issuedBy>

Issued to: <issuedTo>

Effective date: <effectiveDate>



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SEPARATE CYBER RETENTION ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

**ITEM 4.** of the Declarations is deleted in its entirety and replaced with the following:

**ITEM 4. DEDUCTIBLE:**

\$\_\_\_\_\_ Each **Wrongful Act, Claim**, or series of continuous, repeated or **Interrelated Wrongful Acts or Claims**

\$\_\_\_\_\_ Each **Breach, Regulatory Proceeding** or series of continuous, repeated or **Breaches or Regulatory Proceedings**

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

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Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**DELETE CHANGE IN CONTROL ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby agreed and understood that Section **VII. CONDITIONS**, subsection **16. Change In Control**, is deleted in its entirety.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

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Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**OPTIONAL EXTENDED REPORTING TO INCLUDE NOTICE OF CIRCUMSTANCE  
ENDORSEMENT – NEW YORK**

In consideration of the premium that We have charged You, it is hereby understood and agreed that that **Section VII. CONDITIONS**, subsection 5. **Extended Reporting Period** is deleted in its entirety and replaced with the following:

**5. Extended Reporting Period**

- a. Upon **Termination of Coverage**, We will provide You with an Automatic **Extended Reporting Period**, which terminates sixty (60) days after the end of the **Policy Period**. If there is another policy in force that would cover any **Claims** reported under this Automatic **Extended Reporting Period**, this coverage will apply as excess over any other valid and collectible insurance.
- b. Upon **Termination of Coverage** You have the right, within sixty (60) days after the end of the **Policy Period**, to purchase an Optional **Extended Reporting Period** upon the payment of an additional premium of seventy-five percent (75%) of the total annual premium, to a period of twelve (12) months in which to give Us written notice of **Claims** otherwise covered by this Policy. In lieu of the twelve month Optional **Extended Reporting Period**, You may select one of the following:
  - i. twenty-four (24) months for one-hundred-thirty-five percent (135%);
  - ii. thirty-six (36) months for one-hundred-seventy-five percent (175%);
  - iii. forty-eight (48) months for one-hundred-ninety-five percent (195%); or
  - iv. sixty (60) months for two-hundred-ten percent (210%);

If an Optional **Extended Reporting Period** is purchased, then the Automatic **Extended Reporting Period** as described in a. above does not apply.

- c. Within thirty (30) days after **Termination of Coverage**, We will provide written notice of the Automatic **Extended Reporting Period**, and the availability of, premium for and the importance of purchasing the Optional **Extended Reporting Period** coverage. You will have the greater of sixty (60) days from the effective date of **Termination of Coverage** or thirty (30) days from the date of mailing or delivery of the advice of the availability to purchase an Optional **Extended Reporting Period**, to submit written acceptance of the Optional **Extended Reporting Period**. The premium for the Optional **Extended Reporting Period** coverage must be paid promptly when due. If We do not receive acceptance from You within this time period, Your right to purchase the Optional **Extended Reporting Period** shall end.
- d. Additional premium paid shall be deemed fully earned as of the first day of the Optional **Extended Reporting Period** and the Optional **Extended Reporting Period** may not be cancelled. The Optional **Extended Reporting Period** does not cover **Damages** or **Defense Costs** from any **Wrongful Act** which first takes place after the **Policy Period**.
- e. If You have been insured with Us for less than one year, the availability to purchase the Optional **Extended Reporting Period** shall not apply upon termination for non-payment of premium or fraud. If You have been insured with Us for one year or more and We cancel for non-payment of premium or fraud, We will not be required to provide a quotation for the Optional **Extended Reporting Period** unless requested by You.

- f. The length of the Optional **Extended Reporting Period** will be three (3) years unless the **Named Insured** purchasing the Optional **Extended Reporting Period** chooses to purchase a one (1) or two (2) year Optional **Extended Reporting Period**. The Optional **Extended Reporting Period** does not extend the **Policy Period**, increase or reinstate Our Limits of Liability stated in the Declarations, except as follows:
  - i. if the **Claims-Made Relationship** between You and Us has been maintained for thirty six (36) months or more, then the Aggregate Limit of Liability for the Optional **Extended Reporting Period** will be not less than one-hundred percent (100%) of the Aggregate Limit stated in Item 3.A.2. of the Declarations.
  - ii. if the **Claims-Made Relationship** between the You and Us has been maintained for less than thirty-six (36) months, then the Aggregate Limit of Liability for the Optional **Extended Reporting Period** will be the greater of either the amount remaining in the Aggregate Limit stated in Item 3.A.2. of the Declarations; or 50% of the Aggregate Limit stated in Item 3.A.2. of the Declarations.
  - iii. if a **Claim** is first made against an **Insured** during the **Policy Period**, such **Claim** shall be subject to the then remaining applicable limit of liability for such **Policy Period** and in no event shall the limit of liability applicable to the Optional **Extended Reporting Period** apply to such **Claim**.
- g. If this Policy is issued to a corporation, partnership or other entity, We shall provide Optional **Extended Reporting Period** coverage upon **Termination of Coverage** to any person covered under the Policy, if:
  - i. such entity has been placed in liquidation or bankruptcy or permanently ceases operations;
  - ii. the entity or its designated trustee does not purchase Optional **Extended Reporting Period** coverage; and
  - iii. such person requests the Optional **Extended Reporting Period** coverage in writing within one hundred twenty (120) days of the **Termination of Coverage**.

We shall have no obligation to provide any notice to any such person of the availability of the Optional **Extended Reporting Period** coverage. We may charge the person for whom Optional **Extended Reporting Period** coverage is provided, a premium commensurate with such coverage.

- h. A person employed or otherwise affiliated with You and covered by Your Policy during such affiliation, shall continue to be covered under this Policy and any **Extended Reporting Period** coverage after such affiliation has ceased for such person's coverage acts or omissions during such affiliation.
- i. If You do elect the Optional **Extended Reporting Period** and during the Optional **Extended Reporting Period** You become aware of any **Wrongful Act** or incident which occurred after the Retroactive Date and before the date of expiration or cancellation, which might reasonably be expected to give rise to a **Claim**, and provide Us written notice during the **Policy Period** of the nature and date of the circumstances, specifics of the **Wrongful Act** and the name of the potential claimant, then any **Claim** subsequently made against You arising from such **Wrongful Act** shall be deemed to have been first made on the date such written notice was received by Us.
- j. If You elect the Optional **Extended Reporting Period** above, the last sentence of **Section VII. Conditions**, subsection 3. **Reporting of Potential Claims** is deleted in its entirety.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMEND INSOLVENCY ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **IV. EXCLUSIONS**, Exclusion **12**. is amended to include the following:

e. any entity scheduled below:

i. «ENTITY NAME»

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

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Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**DELETE INSOLVENCY EXCLUSION ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **IV. EXCLUSIONS**, Exclusion **12**. is deleted in its entirety.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

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Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMEND SETTLEMENT ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **V. DEFENSE AND SETTLEMENT OF CLAIMS**, subsection **2. Settlement**, is deleted in its entirety and replaced with the following:

### **2. Settlement**

We may investigate and solicit settlement offers for any **Claim**. No offer to settle a **Claim** will be accepted without the **Named Insured's** consent, such consent is not to be unreasonably withheld. If We recommend that the **Named Insured** accept the judgment of the trial court, appellate court, or any negotiated settlement or settlement offer and the **Named Insured** is are not willing to accept such judgment or settlement, Our liability for such **Claim** shall not exceed the amount for which We could have resolved such **Claim**, (proposed resolution amount) plus any **Defense Costs** incurred up to the date We made the recommendation to resolve the **Claim**, plus 80% of any **Damages** and **Defense Costs** exceeding the proposed resolution amount. The remaining 20% of any **Damages** and **Defense Costs** shall be borne by the **Named Insured** at the **Named Insured's** own risk and will be uninsured.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: <policyNumber>

Issued by: <issuedBy>

Issued to: <issuedTo>

Effective date: <effectiveDate>



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMEND SETTLEMENT ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **V. DEFENSE AND SETTLEMENT OF CLAIMS**, subsection **2. Settlement**, is deleted in its entirety and replaced with the following:

### **2. Settlement**

We may investigate and solicit settlement offers for any **Claim**. No offer to settle a **Claim** will be accepted without the **Named Insured's** consent, such consent is not to be unreasonably withheld. If We recommend that the **Named Insured** accept the judgment of the trial court, appellate court, or any negotiated settlement or settlement offer and the **Named Insured** is not willing to accept such judgment or settlement, Our liability for such **Claim** shall not exceed the amount for which We could have resolved such **Claim**, (proposed resolution amount) plus any **Defense Costs** incurred up to the date We made the recommendation to resolve the **Claim**, plus 50% of any **Damages** and **Defense Costs** exceeding the proposed resolution amount. The remaining 50% of any **Damages** and **Defense Costs** shall be borne by the **Named Insured** at the **Named Insured's** own risk and will be uninsured.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NINETY (90) DAY POST POLICY REPORTING ENDORSEMENT – NEW YORK**

In consideration of the premium that We have charged You, it is hereby understood and agreed **ASPBRP055 NEW YORK AMENDATORY ENDORSEMENT** shall be amended by:

1. Section **VII. CONDITIONS**, subsection **2.** 60 days notice shall be amended to 90 days
2. Section **VII. CONDITIONS**, subsection **5.a.** 60 days notice shall be amended to 90 days

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF ASPBRP055 REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PROFESSIONAL SERVICES ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

1. Section **III. DEFINITIONS**, subsection **16. "Professional Services"** is amended as follows:

**16. "Professional Services"** means services performed by You for others for a fee, commission or pro-bono, as a property, casualty, surety, life, accident, health or other insurance agent; insurance broker; insurance consultant; educator; employee benefits consultant, expert witness concerning any insurance related subject; managing general agent; managing general underwriter; program administrator; general agent; surplus lines broker; wholesale broker; claims adjuster; third party administrator; cobra administrator; claims appraiser; notary; premium financing coordinator; or as part of any loss control or risk management service. **Professional Services** shall include such services as provided via electronic means or methods as well as electronic dissemination of insurance or risk related content or material.

2. Section **III. DEFINITIONS** is amended to include the following:

**"Countersigning Agent"** means a **Professional Service** whereby only the **Named Insured** or its employees while acting as a Texas domiciled agent for an out-of-state insurance agency or agents whose policies must be issued with a counter signatory located within the state of Texas. Coverage under this Policy for **Countersigning Agent Professional Services** only applies to the **Named Insured** and its employees. No coverage is extended to any out-of-state agency or agent responsible for the policy at issue.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: <policyNumber>

Issued by: <issuedBy>

Issued to: <issuedTo>

Effective date: <effectiveDate>

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CATASTROPHE EXPENSE COVERAGE ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **II. ADDITIONAL COVERAGE EXTENSIONS** is amended to include the following:

**E. Catastrophe Expense**

We will reimburse the **Named Insured** up to \$10,000 per catastrophe for actual reasonable extra expenses incurred by the **Named Insured** as a result of a catastrophe that occurred during the **Policy Period** provided that: (a) the extra expenses were incurred by the **Named Insured** to assist in the insurance claims processing needs of the clients of the **Named Insured** who have been affected by the catastrophe, and (b) the catastrophe was designated as a catastrophe by Insurance Services Office, Inc., and (c) such extra expenses were incurred within 90 days of the date of the catastrophe. Our determination as to the reasonableness of such extra expenses shall be conclusive on the **Insured**. In no event shall the amount payable hereunder exceed \$30,000 per **Policy Period** regardless of the number of **Named Insureds** or number of catastrophes.

Any payment made under this subsection **E.** will be made in addition to the Limits of Liability set forth in the Declarations. There shall be no Deductible applicable to this coverage benefit provided under this subsection **E.**

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: <policyNumber>

Issued by: <issuedBy>

Issued to: <issuedTo>

Effective date: <effectiveDate>

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDED INSURED ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **III. DEFINITIONS**, subsection **10. "Insured"** is amended to include the following:

**g.** Any entity scheduled below:

Name

«NAME»

Retroactive Date

«RETROACTIVE DATE»

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDATORY ENDORSEMENT – NEW YORK**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

1. **ITEM 4.** of the Declarations is amended to read as follows:

**ITEM 4. DEDUCTIBLE:**

\$ \_\_\_\_\_ Each **Wrongful Act, Claim, Breach, Regulatory Proceeding** or series of continuous, repeated or **Interrelated Wrongful Acts, Claims, Breaches or Regulatory Proceedings.**

\$ \_\_\_\_\_ Policy Aggregate for all **Wrongful Acts, Claims, Breaches, Regulatory Proceedings** or series of continuous, repeated or **Interrelated Wrongful Acts, Claims, Breaches or Regulatory Proceedings.**

This paragraph 1. shall not apply to:

- a. any **Claim, Breach or Regulatory Proceeding**, notice of **Claim** or potential **Claim** presented to Us prior to the effective date of this endorsement; or
  - b. any **Claims, Breaches or Regulatory Proceedings**, notice of **Claims** or potential **Claims** arising from circumstance which prior to the effective date of this endorsement, any **Insured** would have had a basis to reasonably anticipate may result in a **Claim, Breach or Regulatory Proceeding.**
2. Section **IV. EXCLUSIONS**, Exclusion **7.** is deleted in its entirety and replaced with the following:
- 7. violation of the Telephone Consumer Protection Act, any federal and/or state anti-spam statutes, or any federal, state and/or local law similar to the foregoing; provided however, this exclusion shall not apply to **Defense Costs**. The maximum **Defense Costs** we will pay arising out of any such violation will be \$50,000 which shall be part of and not in addition to the Limit of Liability. Such Defense Costs shall be included in the 25% of the Limit of Liability restriction on all Defense Costs applicable under this policy.
3. Section **IV. EXCLUSIONS**, Exclusion **12.** is deleted in its entirety.
4. Section **V. DEFENSE AND SETTLEMENT OF CLAIMS**, subsection **2. Settlement**, is deleted and replaced with the following:

We may investigate and solicit settlement offers for any **Claim**. No offer to settle a **Claim** will be accepted without the **Named Insured's** consent, but such consent is not to be unreasonably withheld. If We recommend that the **Named Insured** accept the judgment of the trial court, appellate court, or any negotiated settlement or settlement offer and the **Named Insured** is not willing to accept such judgment or settlement, Our liability for such **Claim** shall not exceed the amount for which We could have resolved such **Claim**, (proposed resolution amount) plus any **Defense Costs** incurred up to the date We made the recommendation to resolve the **Claim**, plus 80% of any **Damages and Defense Costs** exceeding the proposed resolution amount. Such Defense Costs shall be included in the 25% of the Limit of Liability restriction on all Defense Costs applicable under this policy. The remaining 20% of any **Damages and Defense Costs** shall be borne by the **Named Insured** at the **Named Insured's** own risk and will be uninsured.

5. Section VII. **CONDITIONS**, subsection 5. **Extended Reporting Period** is deleted in its entirety and replaced with the following:

**5. Extended Reporting Period**

- a. Upon **Termination of Coverage**, We will provide You with an Automatic **Extended Reporting Period**, which terminates sixty (60) days after the end of the **Policy Period**. If there is another policy in force that would cover any **Claims** reported under this Automatic **Extended Reporting Period**, this coverage will apply as excess over any other valid and collectible insurance.
- b. Upon **Termination of Coverage** You have the right, within sixty (60) days after the end of the **Policy Period**, to purchase an Optional **Extended Reporting Period** upon the payment of an additional premium of seventy-five percent (75%) of the total annual premium, to a period of twelve (12) months in which to give Us written notice of **Claims** otherwise covered by this Policy. In lieu of the twelve month Optional **Extended Reporting Period**, You may select one of the following:
- i. twenty-four (24) months for one-hundred-thirty-five percent (135%);
  - ii. thirty-six (36) months for one-hundred-seventy-five percent (175%);
  - iii. forty-eight (48) months for one-hundred-ninety-five percent (195%); or
  - iv. sixty (60) months for two-hundred-ten percent (210%);

If an Optional **Extended Reporting Period** is purchased, then the Automatic **Extended Reporting Period** as described in a. above does not apply.

- c. Within thirty (30) days after **Termination of Coverage**, We will provide written notice of the Automatic **Extended Reporting Period**, and the availability of, premium for and the importance of purchasing the Optional **Extended Reporting Period** coverage. You will have the greater of sixty (60) days from the effective date of **Termination of Coverage** or thirty (30) days from the date of mailing or delivery of the advice of the availability to purchase an Optional **Extended Reporting Period**, to submit written acceptance of the Optional **Extended Reporting Period**. The premium for the Optional **Extended Reporting Period** coverage must be paid promptly when due. If We do not receive acceptance from You within this time period, Your right to purchase the Optional **Extended Reporting Period** shall end.
- d. Additional premium paid shall be deemed fully earned as of the first day of the Optional **Extended Reporting Period** and the Optional **Extended Reporting Period** may not be cancelled. The Optional **Extended Reporting Period** does not cover **Damages** or **Defense Costs** from any **Wrongful Act** which first takes place after the **Policy Period**.
- e. If You have been insured with Us for less than one year, the availability to purchase the Optional **Extended Reporting Period** shall not apply upon termination for non-payment of premium or fraud. If You have been insured with Us for one year or more and We cancel for non-payment of premium or fraud, We will not be required to provide a quotation for the Optional **Extended Reporting Period** unless requested by You.
- f. The length of the Optional **Extended Reporting Period** will be three (3) years unless the **Named Insured** purchasing the Optional **Extended Reporting Period** chooses to purchase a one (1) or two (2) year Optional **Extended Reporting Period**. The Optional **Extended Reporting Period** does not extend the **Policy Period**, increase or reinstate Our Limits of Liability stated in the Declarations, except as follows:
- i. if the **Claims-Made Relationship** between You and Us has been maintained for thirty six (36) months or more, then the Aggregate Limit of Liability for the Optional **Extended Reporting Period** will be not

be less than one-hundred percent (100%) of the Aggregate Limit stated in Item 3.A.2. of the Declarations.

- ii. if the **Claims-Made Relationship** between You and Us has been maintained for less than thirty-six (36) months, then the Aggregate Limit of Liability for the Optional **Extended Reporting Period** will be the greater of either the amount remaining in the Aggregate Limit stated in Item 3.A.2. of the Declarations; or 50% of the Aggregate Limit stated in Item 3.A.2. of the Declarations.
  - iii. if a **Claim** is first made against an **Insured** during the **Policy Period**, such **Claim** shall be subject to the then remaining applicable limit of liability for such **Policy Period** and in no event shall the limit of liability applicable to the Optional **Extended Reporting Period** apply to such **Claim**.
- g. If this Policy is issued to a corporation, partnership or other entity, We shall provide Optional **Extended Reporting Period** coverage upon **Termination of Coverage** to any person covered under the Policy, if:
- i. such entity has been placed in liquidation or bankruptcy or permanently ceases operations;
  - ii. the entity or its designated trustee does not purchase Optional **Extended Reporting Period** coverage; and
  - iii. such person requests the Optional **Extended Reporting Period** coverage in writing within one hundred twenty (120) days of the **Termination of Coverage**.

We shall have no obligation to provide any notice to any such person of the availability of the Optional **Extended Reporting Period** coverage. We may charge the person for whom Optional **Extended Reporting Period** coverage is provided, a premium commensurate with such coverage.

- h. A person employed or otherwise affiliated with You and covered by Your Policy during such affiliation, shall continue to be covered under this Policy and any **Extended Reporting Period** coverage after such affiliation has ceased for such person's coverage acts or omissions during such affiliation.
- i. If You do elect the Optional **Extended Reporting Period** and during the Optional **Extended Reporting Period** You become aware of any **Wrongful Act** or incident which occurred after the Retroactive Date and before the date of expiration or cancellation, which might reasonably be expected to give rise to a **Claim**, and provide Us written notice during the **Policy Period** of the nature and date of the circumstances, specifics of the **Wrongful Act** and the name of the potential claimant, then any **Claim** subsequently made against You arising from such **Wrongful Act** shall be deemed to have been first made on the date such written notice was received by Us.
- j. If You elect the Optional **Extended Reporting Period** above, the last sentence of Section **VII. CONDITIONS**, subsection **3. Reporting of Potential Claims** is deleted in its entirety.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDATORY ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

1. **ITEM 4.** of the Declarations is amended to read as follows:

**ITEM 4. DEDUCTIBLE:**

\$ \_\_\_\_\_ Each **Wrongful Act, Claim, Breach, Regulatory Proceeding** or series of continuous, repeated or **Interrelated Wrongful Acts, Claims, Breaches or Regulatory Proceedings**.

\$ \_\_\_\_\_ Policy Aggregate for all **Wrongful Acts, Claims, Breaches, Regulatory Proceedings** or series of continuous, repeated or **Interrelated Wrongful Acts, Claims, Breaches or Regulatory Proceedings**.

This paragraph 1. shall not apply to:

- a. any **Claim, Breach or Regulatory Proceeding**, notice of **Claim** or potential **Claim** reported to Us prior to the effective date of this endorsement; or
  - b. any **Claims, Breaches or Regulatory Proceedings**, notice of **Claims** or potential **Claims** arising from circumstance which prior to the effective date of this endorsement, any **Insured** would have had a basis to reasonably anticipate may result in a **Claim, Breach or Regulatory Proceeding**.
2. Section **II. ADDITIONAL COVERAGE EXTENSIONS** will be amended to include the following:

**E. Catastrophe Expense**

We will reimburse the **Named Insured** up to \$10,000 per catastrophe for actual reasonable extra expenses incurred by the **Named Insured** as a result of a catastrophe that occurred during the **Policy Period** provided that: (a) the extra expenses were incurred by the **Named Insured** to assist in the insurance claims processing needs of the clients of the **Named Insured** who have been affected by the catastrophe, and (b) the catastrophe was designated as a catastrophe by Insurance Services Office, Inc., and (c) such extra expenses were incurred within 90 days of the date of the catastrophe. Our determination as to the reasonableness of such extra expenses shall be conclusive on the **Insured**. In no event shall the amount payable hereunder exceed \$30,000 per **Policy Period** regardless of the number of **Named Insureds** or number of catastrophes.

Any payment made under this subsection **E.** will be made in addition to the Limits of Liability set forth in the Declarations. There shall be no Deductible applicable to this coverage benefit provided under this subsection **E.**

3. Section **IV. EXCLUSIONS**, Exclusion **12.** is deleted in its entirety.
4. Section **V. DEFENSE AND SETTLEMENT OF CLAIMS**, subsection **2. Settlement**, is deleted and replaced with the following:

**2. Settlement**

We may investigate and solicit settlement offers for any **Claim**. No offer to settle a **Claim** will be accepted without the **Named Insured's** consent, such consent is not to be unreasonably withheld. If We recommend that the **Named Insured** accept the judgment of the trial court, appellate court, or any negotiated settlement or settlement offer and the **Named Insured** is willing to accept such judgment or settlement, Our liability for such **Claim** shall not exceed the amount for which We could have resolved such **Claim**, (proposed resolution amount) plus any **Defense Costs** incurred up to the date We made the recommendation to resolve the **Claim**, plus 80% of any **Damages** and **Defense Costs** exceeding the proposed resolution amount. The remaining 20% of any **Damages** and **Defense Costs** shall be borne by the **Named Insured** at the **Named Insured's** own risk and will be uninsured.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ASSOCIATION ENHANCEMENT ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

1. Section **IV. EXCLUSIONS**, Exclusion **12.** is deleted in its entirety.
2. Section **V. DEFENSE AND SETTLEMENT OF CLAIMS**, subsection **2. Settlement**, is deleted and replaced with the following:

**2. Settlement**

We may investigate and solicit settlement offers for any **Claim**. No offer to settle a **Claim** will be accepted without the **Named Insured's** consent, such consent is not to be unreasonably withheld. If We recommend that the **Named Insured** accept the judgment of the trial court, appellate court, or any negotiated settlement or settlement offer and the **Named Insured** is not willing to accept such judgment or settlement, Our liability for such **Claim** shall not exceed the amount for which We could have resolved such **Claim**, (proposed resolution amount) plus any **Defense Costs** incurred up to the date We made the recommendation to resolve the **Claim**, plus 80% of any **Damages** and **Defense Costs** exceeding the proposed resolution amount. The remaining 20% of any **Damages** and **Defense Costs** shall be borne by the **Named Insured** at the **Named Insured's** own risk and will be uninsured.

3. This Policy will reflect an Association Credit in your calculated premium pricing, which shall continue in effect at renewal.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDATORY ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

1. Section **IV. EXCLUSIONS**, Exclusion **12.** is deleted in its entirety.
2. Section **V. DEFENSE AND SETTLEMENT OF CLAIMS**, subsection **2. Settlement**, is deleted and replaced with the following:

**2. Settlement**

We may investigate and solicit settlement offers for any **Claim**. No offer to settle a **Claim** will be accepted without the **Named Insured's** consent, such consent is not to be unreasonably withheld. If We recommend that the **Named Insured** accept the judgment of the trial court, appellate court, or any negotiated settlement or settlement offer and the **Named Insured** is not willing to accept such judgment or settlement, Our liability for such **Claim** shall not exceed the amount for which We could have resolved such **Claim**, (proposed resolution amount) plus any **Defense Costs** incurred up to the date We made the recommendation to resolve the **Claim**, plus 80% of any **Damages** and **Defense Costs** exceeding the proposed resolution amount. The remaining 20% of any **Damages** and **Defense Costs** shall be borne by the **Named Insured** at the **Named Insured's** own risk and will be uninsured.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TCPA SUBLIMIT ENDORSEMENT – NEW YORK**

1. Section **IV. EXCLUSIONS**, Exclusion 7. is deleted in its entirety and replaced with the following:
  7. violation of the Telephone Consumer Protection Act, any federal and/or state anti-spam statutes, or any federal, state and/or local law similar to the foregoing; provided however, this exclusion shall not apply to **Defense Costs**. However the maximum **Defense Costs** We will pay arising out of any such violation will be \$50,000 which shall be included in the 25% of the Limit of Liability restriction on all Defense-only coverage Costs applicable under this policy.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: <policyNumber>

Issued by: <issuedBy>

Issued to: <issuedTo>

Effective date: <effectiveDate>

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMEND DEFINITION OF CLAIM ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **III. DEFINITIONS**, subsection 5. "**Claim**" is deleted in its entirety and replaced with the following:

5. "**Claim**" means any civil action, suit, proceeding or written demand known by any Director, officer, partner, principle or manager seeking to hold You responsible for monetary **Damages** resulting from any actual or alleged **Wrongful Act**.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NEW YORK AMENDATORY ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that:

1. The following Notice is repeated from the Declarations and is only applicable to the Errors and Omissions coverage provided by this policy:

**THIS POLICY INCLUDES FIRST PARTY AND THIRD PARTY COVERAGE. THE THIRD PARTY COVERAGE IS WRITTEN ON A CLAIMS MADE BASIS, AND IS LIMITED TO ONLY THOSE CLAIMS FOR WRONGFUL ACTS TAKING PLACE ON OR AFTER THE RETROACTIVE DATE SET FORTH IN THE DECLARATIONS AND FOR WHICH CLAIMS ARE FIRST MADE AGAINST AN INSURED DURING ANY POLICY PERIOD, OR DURING ANY APPLICABLE EXTENDED REPORTING PERIOD, IF EXERCISED.**

**DEFENSE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE**

**PLEASE READ YOUR POLICY CAREFULLY.**

2. The following Notice is repeated from the Declarations and is only applicable to the Errors and Omissions coverage provided by this policy and only applicable if **ITEM 3.a.3.** of the declarations is marked "No":

**THE LIMIT OF LIABILITY TO PAY DAMAGES, SETTLEMENTS, OR OTHE COSTS WILL BE REDUCED AND MAY BE EXHAUSTED, UNLESS OTHERWISE PROVIDED HEREIN, BY DEFENSE COSTS. IN NO EVENT WILL WE BE LIABLE FOR DEFENSE COSTS OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. PLEASE READ YOUR POLICY CAREFULLY.**

3. **Section I. Insuring Agreements – Errors and Omissions and Cyber Coverage** are replaced by the following:

**Errors and Omissions**

**A. Professional Liability**

We shall pay on Your behalf sums You are legally obligated to pay as Damages and Defense Costs resulting from any Claim for Professional Liability included under the Notice Period. These sums are further limited by the Deductible and Limits of Liability for Professional Liability shown in the Declarations, and by the conditions of the policy.

**Cyber Coverage**

**A. First Party Breach Management Services**

We shall pay on Your behalf costs and expenses You incur for Breach Management Services due to an actual or suspected Breach first reported or discovered during the Notice period. These sums are further limited by the Deductible, and Limits of Liability for First Party Breach Management Services and First Party Regulatory Proceedings, shown in the Declarations, and by the conditions of the policy.

**B. First Party Regulatory Proceedings**

We shall pay on Your behalf Regulatory Expenses You incur for Regulatory Proceedings due to an actual or suspected Breach covered under Section I. Cyber Coverage A. first reported or discovered during the Notice period. These sums are further limited by the Deductible, and Limits of Liability for First Party

Breach Management Services and First Party Regulatory Proceedings, shown in the Declarations, and by the conditions of the policy.

4. Section **II. ADDITIONAL COVERAGE EXTENSION** is amended by the following:

Sections A, B, and C replaced by the material below:

**A. Administrative Proceeding Coverage**

We shall pay for reasonable and necessary legal fees and expenses You incur associated with an Administrative Proceeding commenced against You and reported to Us during the Notice period, said Administrative Proceeding arising from a Wrongful Act also reported during the Notice period. We shall only be liable for those sums incurred with Our prior written approval, to a limit of no more than \$50,000 aggregate for the Policy Period, and we shall not be liable for any Damages pursuant to this Coverage Extension.

**B. Subpoena Inquiry Coverage**

We shall pay for reasonable and necessary legal fees and expenses You incur associated with a Subpoena Inquiry commenced against You and reported to Us during the Notice period, said Subpoena Inquiry arising from a Wrongful Act also reported during the Notice period. We shall only be liable for those sums incurred with Our prior written approval, subject to a maximum of \$10,000 per Subpoena Inquiry and \$30,000 in the aggregate for the Policy Period, and we shall not be liable for any Damages pursuant to this Coverage Extension.

**C. Court Attendance Costs Coverage**

We shall pay for reasonable and necessary expenses You incur resulting from being required to attend a trial, hearing or arbitration proceeding pursuant to a covered Claim against You. We shall only be liable for those sums incurred with Our prior written approval, subject to a maximum of \$10,000 per Claim and \$30,000 in the aggregate for the Policy Period, including any applicable Extended Reporting Period.

The following paragraph replaces the last paragraph of **II. ADDITIONAL COVERAGE EXTENSIONS**.

“Any payments made pursuant to the foregoing subsections A. B. or C. will be made in addition to the Limits of Liability set forth in the Declarations. There shall be no Deductible with respect to any coverage benefit provided under subsections A. B. or C. above. Notwithstanding any specific limits provided for Sections A, B or C, the total amount of coverage extended under **II. ADDITIONAL COVERAGE EXTENSIONS** shall be no more than 25% of the Limit of Liability shown in Item 3.A.2. of the Declarations.”

5. Section **III. DEFINITIONS**, definition 7 is deleted in its entirety and replaced by the following:

7. “**Damages**” means compensatory monetary amounts for which the **Insured** is legally liable because of a **Claim**, including judgments (inclusive of any pre-judgment interest), awards, or settlements that are negotiated with Our consent. **Damages** shall not include any of the following:
- a. **Regulatory Fines;**
  - b. taxes, statutory penalties or sanctions whether imposed by law or otherwise;
  - c. the return of or restitution of fees, commissions or charges;
  - d. amounts for which You are not financially liable;
  - e. equitable relief, including any fees, costs or expenses incurred by You to comply with any such equitable relief;



- f. matters which are uninsurable under applicable law, including, without limitation, matters which would constitute the elements of a crime or misdemeanor, or matters of entitlement to non-employment related benefits, provided directly or indirectly from a government, governmental agency or political subdivision; or
- g. **Defense Costs.**

6. Section **III. DEFINITIONS**, definition **19** is deleted in its entirety and replaced by the following:

**19. "Regulatory Proceeding"** means a civil, formal administrative or formal regulatory proceeding against You brought by or on behalf of any state's attorney general, the Federal Trade Commission, the Federal Communications Commission, or any other federal, state, local or foreign governmental entity, resulting from an actual or suspected **Breach**.

7. Section **III. DEFINITIONS** is amended to include the following:

**"Claims-Made Relationship"** means that period of time between the effective date of the first claims-made privacy and network security policy between Us and the **Named Insured** and the cancellation or non-renewal of the last consecutive claims-made Insurance Agents and Brokers Professional Liability Policy between Us and the **Named Insured**, where there has been no gap in coverage, but does not include any period covered by an **Extended Reporting Period**.

**"Termination of Coverage"** means, whether made by You or Us at any time:

- a. cancellation or nonrenewal of this Policy; or
- b. decrease in limits, reduction of coverage, increased retention, new exclusion, or any other change in coverage less favorable to You.

8. Section **IV. EXCLUSIONS** preamble and Item 1. are deleted in their entirety and replaced by the following:

This Policy shall not apply to any **Claim, Administrative Proceeding** or **Subpoena Inquiry** based on, directly or indirectly arising out of or resulting from any actual or alleged:

- 1. criminal, fraudulent, and/or dishonest acts or omissions by any **Insured**. However, this exclusion shall not apply to an **Insured** who did not commit, or have knowledge of, or participate in such conduct and the conduct or knowledge of one **Insured** shall not automatically be imputed to another **Insured**.

9. Section **IV. EXCLUSIONS** Item 12. is deleted in its entirety and replaced by the following:

**12.** bankruptcy of, suspension of payments or failure to pay monies due, in whole or in part, by any:

- a. broker or dealer in securities or commodities; or
- b. bank or banking firm; or
- c. insurance, reinsurance or bonding company; or
- d. self-insurance plan, insurance pool or reciprocal, captive insurance company or risk retention group; or
- e. managed care organization, health maintenance organization, preferred provider organization, independent physician organization or physician hospital organization.

However, this exclusion shall not apply if, as of the effective date of a bond or insurance policy issued to Your client, the bonding or insurance company issuing the bond or insurance policy was:

- a. rated B+ or higher by A.M. Best Company;
- b. guaranteed by a governmental body or bodies and/or operated by a governmental body or bodies (including but not limited to Assigned Risk Plans, Joint Underwriting Associations, Fair Plans or State Insurance Funds);

- c. a County Mutual reinsured by carriers rated no less than B+; or d. rated A or better by Demotech
- d. any entity authorized or operated by a government body or bodies pursuant to New York state statute or regulation, including assigned risk plans, joint underwriting associations, pools, FAIR plans, or other residual market mechanisms, but only with respect to such entity in its capacity or operation in such programs;

10. Section **V. DEFENSE AND SETTLEMENT OF CLAIMS**, subsection **1. Duty to Defend** is deleted in its entirety and replaced by the following:

**1. Duty to Defend**

We shall have the right and the duty to defend any **Claim** brought against You seeking **Damages** because of a **Wrongful Act**, even if it is groundless, false or fraudulent.

- a. You shall have the right to select Defense Counsel or consent to the Company's choice of Defense Counsel for defense of any such **Claim**. Consent to choice Defense Counsel shall not be unreasonably withheld.
- b. You shall have the right to participate and assist in the direction of the defense of any **Claim**,
- c. You shall have the right to consent to a settlement, which consent shall not be unreasonably withheld.
- d. The Company's duty to defend any **Claim** shall cease upon exhaustion of the applicable Limit of Liability.

11. Section **VI. LIMIT OF LIABILITY, DEFENSE COSTS AND DEDUCTIBLE**, items 1.c and 1.e. are replaced by the following:

1.c. If **ITEM 3.A.3.** of the Declarations is marked "Yes", then **Defense Costs** are in addition to the applicable Limits of Liability, and payment of **Defense Costs** by Us shall not reduce or exhaust, the applicable Limits of Liability as designated by **ITEM 3.A.1.** and **3.A.2.** of the Declarations..

1.e. **ITEM 3.B.** will be in addition to the Limit of Liability stated in **ITEM 3.A.1.** and **2.**, but will be part of the 25% limitation imposed under Section **II. ADDITIONAL COVERAGE EXTENSIONS.**

12. Section **VI. LIMIT OF LIABILITY, DEFENSE COSTS AND DEDUCTIBLE**, item 2. is replaced by the following:

- 2. We shall only be obligated to pay **Damages, Defense Costs**, costs and expenses incurred by You for **Breach Management Services** which are in excess of the Deductible stated in **ITEM 4.** of the Declarations. However, obligations due a third party shall be paid on your behalf, including the deductible, and You agree that You are responsible for repayment of the deductible.

13. Section **VII. CONDITIONS**, subsection **2. Notice of Claims or Breach** is deleted in its entirety and replaced by the following:

**2. Notice of Claim or Breach**

- a. If You, or someone acting on your behalf, gives us notice with particulars sufficient to identify You and this Policy, that shall be deemed Notice to Us.
- b. If You, or someone acting on your behalf, gives written notice with particulars sufficient to identify You and this Policy, to any of Our agents licensed in this state, that shall be deemed Notice to Us.
- c. A Claim will be deemed to have been made at the earlier of the following:
  - 1. When written notice of such Claim is received by any Insured; or
  - 2. When written notice of such Claim against an Insured, made by a third party, is made directly to Us.

3. Failure to give any notice required to be given by such persons within the time prescribed therein shall not invalidate any claim made by the insured, an injured person or any other claimant if it shall be shown not to have been reasonably possible to give such notice within the prescribed time and that notice was given as soon as was reasonably possible thereafter.

d. Notice to Us must be given during any Policy Period, up to 60 days following the end of any Policy Period, or during any Extended Reporting Period, subject to 2.c.3. above.

14. Section VII. **CONDITIONS**, subsection 3. **Reporting of Potential Claims** is deleted in its entirety and replaced by the following:

### 3. Reporting of Potential Claims

If during the **Policy Period** You become aware of any **Wrongful Act** or incident which might reasonably be expected to give rise to a **Claim**, and provide Us written notice during the **Policy Period** or within sixty (60) days of the expiration of the **Policy Period** of the nature and date of the circumstances, specifics of the **Wrongful Act** and the name of the potential claimant, then any **Claim** subsequently made against You arising from such **Wrongful Act** shall be deemed to have been first made on the date such written notice was received by Us.

Written notice shall be sent to:

Aspen American Insurance Company  
590 Madison Avenue  
New York, NY 10022  
professionalliability.claims@aspenspecialty.com

15. Section VII. **CONDITIONS**, subsection 5. **Extended Reporting Period** is deleted in its entirety and replaced by the following:

### 5. Extended Reporting Period

- a. Upon **Termination of Coverage**, We will provide You with an Automatic **Extended Reporting Period**, which terminates sixty (60) days after the end of the **Policy Period**. If there is another policy in force that would cover any **Claims** reported under this Automatic **Extended Reporting Period**, this coverage will apply as excess over any other valid and collectible insurance.
- b. Upon **Termination of Coverage** You have the right, within the time period described in c. below, after the end of the **Policy Period**, to purchase an Optional **Extended Reporting Period** upon the payment of an additional premium of seventy-five percent (75%) of the total annual premium, to a period of twelve (12) months in which to give Us written notice of **Claims** otherwise covered by this Policy. In lieu of the twelve month Optional **Extended Reporting Period**, You may select one of the following:
  - i. twenty-four (24) months for one-hundred-thirty-five percent (135%);
  - ii. thirty-six (36) months for one-hundred-seventy-five percent (175%);
  - iii. forty-eight (48) months for one-hundred-ninety-five percent (195%); or
  - iv. sixty (60) months for two-hundred-ten percent (210%);

If an Optional **Extended Reporting Period** is purchased, it begins after any Automatic Extended Reporting Period.

- c. Within thirty (30) days after **Termination of Coverage**, We will provide written notice of the Automatic **Extended Reporting Period**, and the availability of, premium for and the importance of purchasing the Optional **Extended Reporting Period** coverage. You will have the greater of sixty (60) days from the effective date of **Termination of Coverage** or thirty (30) days from the date of mailing or delivery of the advice of the availability to purchase an Optional **Extended Reporting Period**, to submit written acceptance of the Optional **Extended Reporting Period**. The premium for the Optional **Extended Reporting Period** coverage must be paid promptly when due. If We do not receive acceptance from You within this time period, Your right to purchase the Optional **Extended Reporting Period** shall end.
- d. Additional premium paid shall be deemed fully earned as of the first day of the Optional **Extended Reporting Period** and the Optional **Extended Reporting Period** may not be cancelled. The Optional **Extended Reporting Period** does not cover **Damages** or **Defense Costs** from any **Wrongful Act** which first takes place after the **Policy Period**.
- e. If You have been insured with Us for less than one year, the availability to purchase the Optional **Extended Reporting Period** shall not apply upon termination for non-payment of premium or fraud. If You have been insured with Us for one year or more and We cancel for non-payment of premium or fraud, We will not be required to provide a quotation for the Optional **Extended Reporting Period** unless requested by You.
- f. The length of the Optional **Extended Reporting Period** will be three (3) years unless the **Named Insured** purchasing the Optional **Extended Reporting Period** chooses to purchase a one (1) or two (2) year Optional **Extended Reporting Period**. The Optional **Extended Reporting Period** does not extend the **Policy Period**, increase or reinstate Our Limits of Liability stated in the Declarations, except as follows:
  - i. if the **Claims-Made Relationship** between You and Us has been maintained for thirty six (36) months or more, then the Aggregate Limit of Liability for the Optional **Extended Reporting Period** will be not less than one-hundred percent (100%) of the Aggregate Limit stated in Item 3.A.2. of the Declarations.
  - ii. if the **Claims-Made Relationship** between You and Us has been maintained for less than thirty-six (36) months, then the Aggregate Limit of Liability for the Optional **Extended Reporting Period** will be the greater of either the amount remaining in the Aggregate Limit stated in Item 3.A.2. of the Declarations; or 50% of the Aggregate Limit stated in Item 3.A.2. of the Declarations.
  - iii. if a **Claim** is first made against an **Insured** during the **Policy Period**, such **Claim** shall be subject to the remaining applicable limit of liability for such **Policy Period** and in no event shall the limit of liability applicable to the Optional **Extended Reporting Period** apply to such **Claim**.
- g. If this Policy is issued to a corporation, partnership or other entity, We shall provide Optional **Extended Reporting Period** coverage upon **Termination of Coverage** to any person covered under the Policy, if:
  - i. such entity has been placed in liquidation or bankruptcy or permanently ceases operations;
  - ii. the entity or its designated trustee does not purchase Optional **Extended Reporting Period** coverage; and
  - iii. such person requests the Optional **Extended Reporting Period** coverage in writing within one hundred twenty (120) days of the **Termination of Coverage**.

We shall have no obligation to provide any notice to any such person of the availability of the Optional **Extended Reporting Period** coverage. We may charge the person for whom Optional **Extended**

**Reporting Period** coverage is provided, a premium commensurate with such coverage.

- h.** A person employed or otherwise affiliated with You and covered by Your Policy during such affiliation, shall continue to be covered under this Policy and any **Extended Reporting Period** coverage after such affiliation has ceased for such person's coverage acts or omissions during such affiliation.

16. Section **VII. CONDITIONS**, subsection **6. Cancellation** is deleted in its entirety and replaced by the following:

**6. Cancellation**

- a.** This Policy may be canceled by the **Named Insured** by surrendering it to Us or any of Our authorized agents. The **Named Insured** may also cancel this Policy by written notice to Us or Our licensed agent stating at what future date cancellation is to be effective.
- b.** We may cancel this Policy as follows:
  - i.** We may cancel the Policy within the first sixty (60) days by mailing or delivering to the first Named Insured notice of cancellation at least:
    - 1)** Thirty (30) days before the effective date of cancellation if We cancel for any reasons not included in **6.b.ii.** below.
    - 2)** Fifteen (15) days before the effective date of cancellation if We cancel for any reasons included in **6.b.ii.** below.
  - ii.** If this Policy has been in effect for more than sixty (60) days, or if this Policy is a renewal of a policy We issued, We may cancel only for the following reasons:
    - 1)** Non-payment of premium provided; however, that a notice of cancellation on this ground shall inform the Insured of the amount due;
    - 2)** Conviction of a crime arising out of acts increasing the hazard insured against;
    - 3)** Any discovery of fraud or material misrepresentation relating to the obtaining of the Policy or to a **Claim** made under the Policy;
    - 4)** After issuance of the Policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current **Policy Period**;
    - 5)** Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the Policy, which results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the Policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the Policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the Policy was issued or last renewed;
    - 6)** Determination by the Superintendent of Insurance that the continuation of Our present premium volume would jeopardize the solvency of Us or be hazardous to the interests of the Policyholders, Our creditors or the public.
    - 7)** Determination by the Superintendent that the continuation of the Policy would violate, or would place Us in violation of the New York Insurance laws.

**8) Revocation or suspension of the insured's license to practice their profession.**

We must mail or deliver written notice of cancellation to the first **Named Insured** and the first **Named Insured's** authorized agent or broker at least fifteen (15) days prior to the effective date of such cancellation. Notice of cancellation will state the effective date of cancellation. The Policy will end on that date. The grounds for such cancellation will also be stated, and upon written request, We will furnish the facts upon which the cancellation is based.

c. If notice is mailed, proof of mailing will be sufficient proof of notice.

17. Section **VII. CONDITIONS**, subsection **12. Action Against Us** is deleted in its entirety and replaced by the following:

**12. Action Against Us**

No action shall lie against Us by any third party, unless, as a condition precedent thereto:

- a. There shall have been full compliance with all the terms of this Policy; and
- b. Your obligation to pay shall have been finally determined either by judgment against You or by written agreement of You, the claimant and Us.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or organization shall have any right under this Policy to join Us as a party to any action against You, nor shall We be impleaded by You or Your legal representative.

With respect to any liability claims covered under the policy, if We disclaim liability or deny coverage based upon the failure to provide timely notice, then the injured person or other claimant may maintain an action directly against Us, in which the sole question is Our disclaimer or denial based on the failure to provide timely notice, unless within sixty days following such disclaimer or denial, You or We: (A) initiate an action to declare the rights of the parties under the insurance policy; and (B) names the injured person or other claimant as a party to the action.

18. Section **VII. CONDITIONS**, subsection **17. Representations** is deleted in its entirety and replaced by the following:

**17. Representations**

You agree that all representations made and statements contained within the Application for this Policy are true, accurate, and complete. Such statements and information are the basis for Our issuance of this Policy and are incorporated into and constitute a part of this Policy. This Policy will be void ab initio in the event of a material untruth, inaccurate or incomplete information or misrepresentation in the Application, which if known by Us would have caused Us to not issue this Policy.

19. Section **VII. CONDITIONS** is amended to include the following:

**Late Notice**

- a. Subject to the terms and conditions of this insurance, failure to provide notice of a **Claim** pursuant to the reporting and/or notice provisions of this Policy shall not invalidate any coverage that would have otherwise been available unless the failure to provide such timely notice has prejudiced Us; except as provided in paragraph **b.** below.

- b. Failure to provide notice of a **Claim** pursuant to the reporting and/or notice provisions of this Policy shall not invalidate any coverage if it is shown that it was not reasonably possible to give such notice within the prescribed time, and that such notice was given as soon as reasonably possible thereafter.
- c. The burden of proving prejudice for failure to provide timely notice shall be on:
  - i. Us if the notice was provided within two (2) years of the time required under this Policy; or
  - ii. You, injured person, or claimant if the notice was provided more than two (2) years after the time required under this Policy.
- d. Notwithstanding the above paragraph, an irrefutable presumption of prejudice shall apply if, prior to notice:
  - i. Your liability has been determined by a court of competent jurisdiction or by binding arbitration; or
  - ii. You have entered into any settlement or other compromise.
- e. Except as expressly set forth in this endorsement, nothing herein shall be construed:
  - i. to amend provisions in the Policy stating that **Claims** shall be made during the **Policy Period**, any renewal thereof, or any **Extended Reporting Period**; or
  - ii. to duplicate coverage under multiple policy periods.

**Nonrenewal and Conditional Renewal**

- a. If We decide not to renew this Policy, We will send notice as provided in Paragraph c. below.

**b. Conditional Renewal**

If We conditionally renew this Policy subject to:

- i. a change of limits;
- ii. a change in type of coverage;
- iii. a reduction of coverage;
- iv. an increased deductible;
- v. an addition of exclusion; or
- vi. increased premiums in excess of ten percent (10%), exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

We will send notice as provided in Paragraph c. below.

In the event of failure to comply with the aforementioned condition as of the expiration date of the Policy, or sixty (60) days after mailing or delivering the notice of conditional renewal, the conditional renewal shall be deemed to be an effective notice of nonrenewal.

**c. Notices Of Nonrenewal And Conditional Renewal**

- i. if We decide not to renew this Policy or to conditionally renew this Policy as provided in Paragraphs **a.** and **b.** above, We will mail or deliver written notice to the first **Named Insured** at least thirty (30) but not more than one hundred and twenty (120) days before the expiration date of this Policy.
- ii. notice will be mailed or delivered to the first **Named Insured** at the mailing address stated in Item 1. of the Declarations and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.
- iii. notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.
- iv. if We violate any of the provisions of Paragraphs **c.i.** through **c.iii.** above by sending the first **Named Insured** an incomplete or late conditional renewal notice or a late nonrenewal notice:
  - 1) and if notice is provided prior to the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy at the lower of the current rates or the prior period's rates until sixty (60) days after such notice is mailed or delivered, unless You, during this sixty (60)-day period, have replaced the coverage or elected to cancel.
  - 2) and if the notice is provided on or after the expiration date of this Policy, coverage will remain in effect at the same terms and conditions of this Policy for another **Policy Period**, at the lower of the current rates or the prior period's rates, unless You, during this additional **Policy Period**, have replaced the coverage or elected to cancel.
    - a) if We elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
      - (1) upon expiration of the sixty (60)-day period, unless **b)** below applies; or
      - (2) notwithstanding the provisions in Paragraphs **iv.1)** and **iv.2)** above, as of the renewal date of the Policy if the conditional renewal notice was sent at least thirty (30) days prior to the expiration or anniversary date of the Policy.
    - b) We will not send the first **Named Insured** notice of nonrenewal or conditional renewal if the first **Named Insured**, and the first **Named Insured**'s authorized agent or broker or another insurer mails or delivers notice that the Policy has been replaced or is no longer desired.
- d. The aggregate limits of this Policy stated in the Declarations will be increased in proportion to any policy extension provided in accordance with Paragraph **c.iv.** above.

### **Post-judgment Interest**

We will pay, with respect to any monetary judgment, award or settlement against an **Insured**, all post-judgment interest that accrues after entry of the judgment and before We have paid, offered to pay or deposited in court the part of the judgment that is within the applicable limit of liability. Payments of post-judgment interest will not reduce the limit of liability.

### **Transfer of Duties When a Limit of Insurance is Exhausted**

- a. If We conclude that, based on **Claims** which have been reported to Us and to which this Policy may apply, the Aggregate Limit is likely to be exhausted by the payment of **Damages** or **Defense Costs** (only if **ITEM 3.A.3.** of the Declarations is marked "No"), We notify the first **Named Insured**, in writing, to that effect.
- b. When a limit of insurance as described above has actually been exhausted by the payment of **Damages** or **Defense Costs** (only if **ITEM 3.A.3.** of the Declarations is marked "No") We will:



- i. notify the first **Named Insured**, in writing, as soon as practicable, that such a limit has actually been exhausted; and Our duty to defend suits seeking payment of **Damages** subject to that limit has also ended; and
- ii. Initiate and cooperate in, the transfer of control, to any appropriate **Insured**, of all **Claims** and suits seeking payment of **Damages** which are subject to that limit and which are reported to Us before that limit is exhausted. The **Insured** must cooperate in the transfer of control of said **Claims** and suits seeking payment of **Damages** which are subject to that limit and which are reported to Us before that limit is exhausted. The **Insured** must cooperate in the transfer of control of said **Claims** and suits. We agree to take such steps, as We deems appropriate, to avoid a default in, or continue the defense of, such suits until such transfer is completed, provided the appropriate **Insured** is cooperating in completing such transfer. We will take no action whatsoever with respect to any **Claim** or suit seeking payment of **Damages** that would have been subject to that limit, had it not been exhausted, if the **Claim** or suit is reported to Us after that limit of insurance has been exhausted.
- c. The **Named Insured**, and any other **Insured** involved in a suit seeking payment of **Damages** subject to that limit, must arrange for the defense of such suit within such time period as agreed to between the appropriate **Insured** and Us. Absent any such agreement, arrangements for the defense of such suit must be made as soon as practicable.
- d. The **Named Insured** will reimburse Us for expenses We incur in taking those steps We deem appropriate in accordance with Paragraph **b.ii.** above.
- e. The duty of the **Named Insured** to reimburse Us will begin on the date on which the applicable limit of liability is exhausted, if We sent notice as listed in the first paragraph; or the date on which We sent notice in accordance with Paragraph **b.i.** above, if We did not send notice in accordance with the first paragraph.
- f. The exhaustion of any limit of liability by the payments of judgments or settlements, and the resulting end of Our duty to defend, will not be affected by Our failure to comply with any of the provisions of this Condition.

The regulatory requirements set forth in this Amendatory Endorsement shall supersede and take precedence over any provisions of the Policy or any endorsement to the Policy, whenever added, that are inconsistent with or contrary to the provisions of this Amendatory Endorsement, unless such Policy or endorsement provisions comply with the applicable insurance laws of New York.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: <policyNumber>

Issued by: <issuedBy>

Issued to: <issuedTo>

Effective date: <effectiveDate>

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMEND PRIOR WRONGFUL ACT EXCLUSION ENDORSEMENT**

In consideration of the premium that We have charged You, it is hereby understood and agreed that Section **IV. EXCLUSIONS**, Exclusion **4.**, is deleted in its entirety and replaced with the following:

- 4. Wrongful Act** first committed prior to the beginning of the **Policy Period** if, before the inception date of this Policy, any «EnterTitle» of the **Insured** knew or could have reasonably foreseen that such **Wrongful Act** did or could result in a **Claim**. However, if this Policy is a renewal of one or more policies previously issued to You, and the insurance provided to You was in effect without interruption for the entire time between the inception date of the first such other Policy and the inception date of this Policy, then the reference above to the inception date of this Policy will instead refer to the inception date of the first Policy under which you were provided with continuous and uninterrupted insurance.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT FORMS A PART OF POLICY NUMBER: «policyNumber»

Issued by: «issuedBy»

Issued to: «issuedTo»

Effective date: «effectiveDate»

**NEW YORK IMPORTANT NOTICE  
APPLICATION AND DECLARATIONS ADDENDUM**

**THIS POLICY PROVIDES CLAIMS-MADE COVERAGE. THIS NOTICE GIVES INFORMATION ABOUT CLAIMS-MADE POLICIES AS REQUIRED BY APPLICABLE NEW YORK LAWS AND REGULATIONS.**

**PRIOR ACTS: IF A CLAIMS-MADE POLICY CONTAINS A RETROACTIVE DATE, THEN THAT POLICY PROVIDES NO COVERAGE FOR CLAIMS ARISING OUT OF INCIDENTS, OCCURRENCES OR ALLEGED WRONGFUL ACTS WHICH TOOK PLACE PRIOR TO THAT RETROACTIVE DATE.**

**CLAIMS MADE DURING POLICY PERIOD: CLAIMS-MADE COVERAGE COVERS ONLY CLAIMS ACTUALLY MADE OR INCIDENTS REPORTED AGAINST THE INSURED WHILE THE POLICY REMAINS IN EFFECT OR ANY APPLICABLE EXTENDED REPORTING PERIOD. ALL COVERAGE UNDER THIS POLICY CEASES UPON THE TERMINATION DATE, EXCEPT FOR THE AUTOMATIC EXTENDED REPORTING PERIOD COVERAGE, UNLESS THE INSURED PURCHASES THE OPTIONAL EXTENDED REPORTING PERIOD.**

**DEFENSE COSTS: UNLESS ENDORSED OTHERWISE, THE LIMIT OF LIABILITY TO PAY DAMAGES, SETTLEMENTS, OR OTHER COSTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE COSTS, AND DEFENSE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE. IN NO EVENT WILL WE BE LIABLE FOR DEFENSE COSTS OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY.**

**EXTENDED REPORTING PERIOD: THE POLICY PROVIDES A SIXTY (60) DAY AUTOMATIC EXTENDED REPORTING PERIOD FROM THE TERMINATION OF COVERAGE IF NO ADDITIONAL EXTENDED REPORTING PERIOD IS PURCHASED. THE INSURED HAS THE RIGHT TO PURCHASE AN OPTIONAL EXTENDED REPORTING PERIOD FOR:**

- **TWELVE (12) MONTHS FOR SEVENTY-FIVE PERCENT (75%);**
- **TWENTY-FOUR (24) MONTHS FOR ONE-HUNDRED-THIRTY-FIVE PERCENT (135%);**
- **THIRTY-SIX (36) MONTHS FOR ONE-HUNDRED-SEVENTY-FIVE PERCENT (175%);**
- **FORTY-EIGHT (48) MONTHS FOR ONE-HUNDRED-NINETY-FIVE PERCENT (195%);**  
**OR**
- **SIXTY (60) MONTHS FOR TWO-HUNDRED-TEN PERCENT (210%),**

**OF THE TOTAL ANNUAL PREMIUM.**

**IF AN OPTIONAL EXTENDED REPORTING PERIOD IS NOT PURCHASED AND THE SUBSEQUENT POLICY DOES NOT PROVIDE FULL PRIOR ACTS COVERAGE OR IS AN OCCURRENCE POLICY, THERE MAY BE GAPS IN COVERAGE. IF AN UNLIMITED OPTIONAL EXTENDED REPORTING PERIOD IS NOT PURCHASED, THERE MAY BE**

**POTENTIAL GAPS IN COVERAGE AFTER THE EXPIRATION OF THE OPTIONAL EXTENDED REPORTING PERIOD.**

**CLAIMS-MADE POLICY MATURITY: WHEN THE RETROACTIVE DATE ON A CLAIMS-MADE POLICY IS CONCURRENT WITH THE EFFECTIVE DATE OF THE POLICY OR LESS THAN FIVE (5) YEARS PRIOR TO THE EFFECTIVE DATE, THERE IS CONSIDERED TO BE A REDUCED LEVEL OF EXPOSURE IN RELATION TO AN OCCURRENCE POLICY. FOR THIS REASON, CLAIMS-MADE RATES ARE COMPARATIVELY LOWER THAN OCCURRENCE RATES. AS THE CLAIMS-MADE RELATIONSHIP MATURES, AN INSURED CAN EXPECT SUBSTANTIAL ANNUAL PREMIUM INCREASES INDEPENDENT OF OVERALL RATE LEVEL INCREASES. IF, HOWEVER, THE RETROACTIVE DATE ON A CLAIMS-MADE POLICY IS MORE THAN FIVE YEARS PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THAT CLAIMS-MADE RELATIONSHIP IS CONSIDERED MATURE AND RATE LEVELS WILL NOT INCREASE FOR THIS REASON.**

## NEW YORK DEFENSE COSTS WITHIN THE DEDUCTIBLE AND LIMITS OF LIABILITY ACKNOWLEDGEMENT

Any **Defense Costs** may be applied to, and may completely exhaust the Policy Deductible amount and Limits of Liability. To the extent that the Policy Limits of Liability are thereby exceeded, We shall not be liable for **Defense Costs** or for the amount of any **Damages**.

This Notice forms a part of Your insurance Policy.

I have read and acknowledge the above Notice and am aware that **Defense Costs** are included in the Policy Deductible and Limits of Liability.

\_\_\_\_\_  
Insured's Signature

\_\_\_\_\_  
Date



# Professional Liability Insurance for Insurance Agents and Brokers Application – NEW YORK

Aspen American Insurance Company  
590 MADISON AVENUE, 7TH FLOOR  
NEW YORK, NY 10022  
(A stock insurance company)

1. Name of Applicant (include all dba's): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Primary Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Are there any branch offices?  Yes  No If "Yes," how many \_\_\_\_\_  
In which States? (Use separate sheet if necessary): \_\_\_\_\_  
Contact: Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-Mail: \_\_\_\_\_ Web Site: \_\_\_\_\_

## 2. Ownership:

A. Are you owned or controlled by, or affiliated with any other firm? .....  Yes  No  
If "Yes," please use separate sheet to provide details.

B. Have you purchased, merged or been consolidated with any other firm in the past three years?  Yes  No  
If "Yes," please use separate sheet to provide details.

C. Do you have any subsidiaries? .....  Yes  No  
If "Yes," please list their names, type of operation, and whether or not you wish to apply for coverage for each of them (Use a separate sheet if necessary):

<u>Name of Subsidiary</u>	<u>Type of Operations</u>	<u>Applying for Coverage</u>
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

3. Date your firm was established: \_\_\_\_\_ (MM/DD/YYYY)  
If less than three (3) full years, please attach a resume for each principals with agency/brokerage management experience.

4. Please list the percentage of your business derived from your activities in each role (total must equal 100%):  
Agent/Broker: \_\_\_\_\_ % MGA/MGU/General Agent/Program Administrator\*: \_\_\_\_\_ %  
Wholesaler: \_\_\_\_\_ % Reinsurance Broker/Intermediary: \_\_\_\_\_ %  
Other: \_\_\_\_\_ % (Specify) \_\_\_\_\_

\*If you are in whole or in part an MGA, MGU, General Agent, and/or Program Administrator please complete the MGA/GENERAL AGENT/PROGRAM ADMINISTRATOR supplemental application.

5. Limits of Liability Desired:

\$ \_\_\_\_\_ each wrongful act or series of continuous, repeated or interrelated wrongful acts  
 \$ \_\_\_\_\_ aggregate

You may apply for defense costs to be in addition to or included within the above limits.

Please indicate your preference. Defense costs to be in addition to the above limits: .....  Yes  No

6. Deductible Desired:

\$1,000  \$2,500  \$5,000  \$10,000  \$25,000  Other: \_\_\_\_\_

You may apply to have the deductible apply to damages only or to both damages and defense costs.

Please indicate your preference: Deductible to apply to damages only: .....  Yes  No

7. Changes in Operations:

A. Do you anticipate any significant changes in the nature of your operation, or changes of twenty-five (25) percent or more in the size of your operations, over the next twenty (24) months?.....  Yes  No  
 If "Yes," please attach details.

B. Do you anticipate writing any new lines of coverage in the next 12 months? .....  Yes  No  
 If "Yes", please provide details. \_\_\_\_\_

8. Staffing:

A. Indicate your current total agency headcount (including yourself): \_\_\_\_\_

Of these, indicate how many are:

	Employed Full Time	1099 Full Time	Employed Part Time	1099 Part Time	Total
Licensed Agent or Broker					
Other Management Professional					
Administrative/Other					

B. List the names of all partners, principals and key employees below: **(Please include yourself)**

<u>Name</u>	<u>Years in Insurance</u>	<u>Years Licensed</u>	<u>Years with Applicant</u>	<u>Professional Designations</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

C. During the past five (5) years have there been any changes in the management structure, including any additions or deletions of any principals, owners or managers? .....  Yes  No  
 If "Yes", please provide details. \_\_\_\_\_

D. Are you a member of any cluster arrangements? .....  Yes  No  
 If "Yes", please provide details. \_\_\_\_\_

**9. Independent Contractors:**

- A.** Do you have independent contractors? .....  Yes  No  
 Are they exclusive, i.e., do they place coverage only through your firm? .....  Yes  No
- B.** Do you wish to cover them as insureds under your policy? .....  Yes  No  
 If coverage is desired, you may either provide the names of those to be covered or you may elect coverage on a blanket basis by checking here:.....
- C.** Do you maintain and update license information on all independent contractors? ...  Yes  No  
 Do you require independent contractors to maintain their own professional liability insurance?  Yes  No

**10. List all professional associations to which you belong:**

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**11. Revenues:**

- A.** Please indicate your premium volume and gross insurance commissions and fees for the current twelve months along with projections for the next twelve months:

	P&C Premiums	Life/A&H Premiums	Annual Gross P&C Commissions and Fees (before split with others)	Annual Gross L/A&H Commissions and Fees (before split with others)
Current Twelve Months				
Next Twelve Months				

- B.** How many P&C policies did you place in the past year \_\_\_\_\_ ; How many Life/A&H policies \_\_\_\_\_

**12. Please indicate and describe your non-insurance business revenues for the past two years:**

	<u>Non-Insurance Revenue</u>	<u>Sources</u>
Current Twelve Months:	\$ _____	_____
Next Twelve Months:	\$ _____	_____

**13. Insurers:**

- A.** Please list your top 5 insurers where you have placed business in the past two years. Use additional sheets if necessary:

Insurer	Annual Premium Volume	Years Represented	Do You Have Binding Authority?	A.M. Best Rating
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	



- B.** Approximately how much business is placed with carriers that are:  
 Rated less than B+ by AM Best \_\_\_\_\_%      Non-Admitted: \_\_\_\_\_%  
 Not Rated by AM Best (NR): \_\_\_\_\_%      If **not** applicable, please check here

**14.** Please list your three largest commercial clients together with the services provided and revenues derived from each:

<u>Client</u>	<u>Services You Provide</u>	<u>Your Revenues</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

**15.** Please indicate the percentage of your total premium volume from the following: **(Total of all sections combined must equal 100%)**

Personal Lines:

- |               |         |            |         |              |         |
|---------------|---------|------------|---------|--------------|---------|
| Standard Auto | _____ % | Umbrella   | _____ % | Non-Std Auto | _____ % |
| Marine        | _____ % | Homeowners | _____ % | Flood, Wind  | _____ % |
| Other         | _____ % | (Specify)  | _____   |              |         |

Commercial Lines:

- |                                  |         |                            |         |
|----------------------------------|---------|----------------------------|---------|
| Auto (except long haul trucking) | _____ % | Workers Comp               | _____ % |
| Long Haul Trucking               | _____ % | Flood, Wind                | _____ % |
| BOP/SMP                          | _____ % | Fidelity                   | _____ % |
| GL Products                      | _____ % | Surety                     | _____ % |
| Commercial Property              | _____ % | Aviation                   | _____ % |
| Inland Marine                    | _____ % | Crop                       | _____ % |
| Ocean Marine                     | _____ % | Professional Liability/D&O | _____ % |
| Medical Malpractice              | _____ % | Other (Specify)            | _____ % |

Group Life/Accident & Health

- |        |         |                      |         |
|--------|---------|----------------------|---------|
| Life   | _____ % | Fully Insured Health | _____ % |
| LTD    | _____ % | Self-Insured Health  | _____ % |
| STD    | _____ % | METS/MEWAS           | _____ % |
| Dental | _____ % | Stop Loss            | _____ % |
| Other  | _____ % | (Specify)            | _____   |

Individual Life/Accident & Health

- |              |         |                       |         |
|--------------|---------|-----------------------|---------|
| Term Life    | _____ % | Whole Life            | _____ % |
| LTD          | _____ % | Universal Life        | _____ % |
| STD          | _____ % | Fixed Annuities       | _____ % |
| Health       | _____ % | Accident/AD&D         | _____ % |
| LTC          | _____ % | Credit Life           | _____ % |
| Split Dollar | _____ % | Premium Financed Life | _____ % |
| COLI/BOLI    | _____ % | Other (Specify)       | _____ % |

**16.** Does the Applicant specialize or focus its operation on any specific industry? .....  Yes    No  
 If "Yes", please provide details. \_\_\_\_\_

**17. Broker/Dealer Exposure:**

- A.** If you desire coverage as a registered representative, please indicate your commissions derived from each of the following, or check here:  Coverage not desired.

Variable Life \_\_\_\_\_ Stocks and Bonds \_\_\_\_\_ Variable Annuities \_\_\_\_\_  
 Pension Plans \_\_\_\_\_ Mutual Funds \_\_\_\_\_ 401-K Plans \_\_\_\_\_

- B.** Name of Broker/Dealer with whom you are affiliated: \_\_\_\_\_  
 Years Affiliated: \_\_\_\_\_

- C.** Please provide the number of employees requesting coverage who have the following licenses:  
 Series 6: \_\_\_\_\_ Series 7: \_\_\_\_\_

- D.** Do you have coverage through the broker/dealer? .....Yes  No

- E.** Have there been any U-4 or U-5 violations? .....Yes  No If "Yes", please attach details

**18. Please indicate if you provide the following services:**

- |  | <u>Yes</u>               | <u>No</u>                |
|--|--------------------------|--------------------------|
| <b>A.</b> Claims Adjusting   | <input type="checkbox"/> | <input type="checkbox"/> |
| If "Yes", do you have the authority to deny claims?                        | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>B.</b> Claims Draft Authority. If yes indicate maximum amount: _____    | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>C.</b> Inspections, Safety Engineering, Loss Control or Risk Management | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>D.</b> Policy Issuance  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>E.</b> TPA Services   | <input type="checkbox"/> | <input type="checkbox"/> |
| If "Yes", please provide details.<br>_____<br>_____                        |                          |                          |

- |   |                          |                          |
|---|--------------------------|--------------------------|
| <b>F.</b> Reinsurance Placement                             | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>G.</b> Actuarial Service                                 | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>H.</b> Underwriting                                      | <input type="checkbox"/> | <input type="checkbox"/> |
| If "Yes", please complete the MGA Supplemental Application. |                          |                          |

**19. Do you:**

- |  | <u>Yes</u>               | <u>No</u>                |
|--|--------------------------|--------------------------|
| <b>A.</b> Have written standard operating procedures   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>B.</b> Date stamp all incoming mail   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>C.</b> Document client's refusal to accept coverage or limit recommendations  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>D.</b> Does your agency use a diary, suspense and/or follow-up procedure?<br><input type="checkbox"/> Automated <input type="checkbox"/> Manual | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>E.</b> If applicable, do all locations use a centralized agency management system? <input type="checkbox"/> n/a                                 | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>F.</b> If applicable, do all locations use the same workflow procedures? <input type="checkbox"/> n/a   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>G.</b> Confirm verbal binders in writing  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>H.</b> Appoint sub-agents   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>I.</b> Have you or your staff attended an approved E&O Seminar in the last 24 months?   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>J.</b> Does your agency perform internal audit/quality control reviews of your staffs work?   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>K.</b> Is there a procedure for documenting phone, text or other social media?  | <input type="checkbox"/> | <input type="checkbox"/> |

**20. Computer Systems:**

- A.** How often is your computer system backed up? \_\_\_\_\_
- B.** Are the backups kept on-site or off-site? \_\_\_\_\_
- C.** Can coverage be bound via your website and/or does your website link to any other website which provides the ability to bind coverage online? Yes  No  Do not have a website

- 21. In the past five years, have you:**  
 If "yes" to any of the below, please attach an explanation
- A.** Discontinued any program or classes of business you are not currently involved with that accounted for more than 10% of your volume?  Yes  No
  - B.** Placed coverage with or referred clients to any Self Insured/Captive; Professional Employer Organization (PEO); Multiple Employer Trust or Welfare Arrangement (MET or MEWA)?  Yes  No
  - C.** Been involved in the establishment or management of any Risk Retention Group (RRG); Risk Purchasing Group (RPG); Professional Employer Organization (PEO); Multiple Employer Trust or Welfare Arrangement (MET or MEWA); Insurance Company (including but not limited to any Captive) or any similar organization?  Yes  No
  - D.** Been involved in any structured settlement, viatical settlement, or the placement of any vanishing premium life insurance policy?  Yes  No
  - E.** Been involved with the establishment or management of any fronted program?  Yes  No

- 22. Cancellation:**
- A.** Have you had any agency contracts cancelled by any insurance carrier for reasons other than lack of production?  Yes  No If "Yes," please attach details.
  - B.** Has your professional liability insurance ever been declined, cancelled, or non-renewed?  Yes  No If "Yes," please attach details.

**23. Do you currently have professional liability insurance in force?**  Yes  No  
 If "Yes," please provide the following for your five most recent policies:

<u>Expiration Date</u>	<u>Name of Insurer</u>	<u>Limits of Liability</u>	<u>Deductible</u>	<u>Premium</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Retroactive date or length of time coverage has been continuously in force: \_\_\_\_\_

- 24.** After inquiry, does any owner, director, officer, employee, independent contractor or partner of yours have knowledge or information of any act, error or omission which might reasonably be expected to give rise to a claim?  Yes  No If "Yes," please attach details and advise whether or not the potential claim has been reported to any carrier.
- 25.** After inquiry, have you or any of your owners, directors, officers, employees, independent contractors or partners ever been the subject of a disciplinary action, investigation or complaint as a result of any professional activities?  Yes  No If "Yes," please attach details.
- 26.** After inquiry, have there been any claims, lawsuits, demands, or other forms of threat of legal action against your firm, any owners, directors, officers, employees, independent contractors or partners in the last five years?  Yes  No If "Yes," how many? \_\_\_\_\_ (Please attach details.)
- 27.** What is the number of sensitive data records currently stored? # \_\_\_\_\_
- 28.** Does your agency have a secure firewall and up-to-date anti-virus program?  Yes  No
- 29.** Does the Applicant have a document retention and destruction policy?  Yes  No

30. Is encryption used when transmitting personal information? Yes  No
31. Does the Applicant restrict access to private consumer information or customer files to employees on a business need to know basis? Yes  No
32. Does any Applicant, director, officer, employee or other proposed Insured have knowledge or information of any fact, circumstance, situation, event, or issue which may give rise to a Claim against any Insured for invasion of or interference with any right of privacy, wrongful disclosure of personal information, or violation of any privacy related statute or regulation? Yes  No If "Yes," please attach details and advise whether or not the potential claim has been reported to any carrier.
33. During the past three (3) years, has anyone made any Claim against the Applicant for invasion of or interference with any right of privacy, wrongful disclosure of personal information, or violation of any privacy related statute or regulation? Yes  No If "Yes," please attach details.

**All written statements and materials furnished in conjunction with this application including any supplements attachments made there to by or on behalf of the applicant are hereby incorporated into this application and made a part hereof.**

**This application does not bind you to buy, nor us to issue the insurance, but it is agreed that this application shall be the basis of the contract between us should a policy be issued, and it will be attached to and made a part of the policy. You declare that the statements set forth in this application are true. You agree that if the information supplied in this application changes between the date stated below and the time when the policy is issued, you will immediately notify us of such changes, and we may withdraw or modify any outstanding quotations and/or authorizations or agreements to bind the insurance.**

**FORM ASPBRP057NY, NEW YORK IMPORTANT NOTICE APPLICATION AND DECLARATIONS ADDENDUM, IS MADE PART OF THIS APPLICATION BY REFERENCE, AND BY SIGNATURE BELOW, APPLICANT CONFIRMS RECEIPT OF THE FORM ALONG WITH THIS APPLICATION.**

**FRAUD NOTICE**

**NOTICE TO NEW YORK APPLICANTS:** Any person who, knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and is subject to a civil penalty not to exceed \$5,000.00 and the stated value of the claim for each such violation.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date (MM/DD/YYYY)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Title

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\_\_\_\_\_  
**Name of Agent/Broker for Applicant**

\_\_\_\_\_  
**Name of Insurance Brokerage**

\_\_\_\_\_  
**Agent/Broker Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Agent/Broker Title**



# Professional Liability Insurance for Insurance Agents and Brokers Renewal Application – NEW YORK

**Aspen American Insurance Company**  
**590 MADISON AVENUE, 7TH FLOOR**  
**NEW YORK, NY 10022**

(A stock insurance company)

**(This is an application for a Claims Made Policy)**

1. Name of Applicant: \_\_\_\_\_
  - a. Has your address changed in the past year?  Yes  No If "Yes", please attach details.
  - b. Have there been any changes in ownership in the past year?  Yes  No If "Yes", please attach details.
  - c. During the past year has your name changed, or have you purchased, been purchased, merged or consolidated with any other business?  Yes  No If "Yes", please attach details.
2. Do you anticipate any significant changes in the nature of your operation, or changes of 25% or more in the size of your operations, over the next twenty four (24) months?  Yes  No If "Yes", please attach details.
3. Indicate your total employee headcount: \_\_\_\_\_
4. Please indicate your premium volume and **gross insurance commissions and fees** for the current twelve months along with projections for the next twelve months:

	P&C Premiums	Life/A&H Premiums	Annual Gross P&C Commissions and Fees (before split with others)	Annual Gross L/A&H Commissions and Fees (before split with others)
Current Twelve Months				
Next Twelve Months				

5. Please indicate and describe your non-insurance revenues for the current twelve months along with projections for the next twelve months:

	<u>Non-Insurance Revenue</u>	<u>Sources</u>
Current Twelve Months:	\$ _____	_____
Next Twelve Months:	\$ _____	_____

6. Please list the percentage of your business derived from your activities in each role (total must equal 100%):

Agent: \_\_\_\_%      Broker: \_\_\_\_%      **MGA/General Agent/Program Administrator\***: \_\_\_\_%

Wholesaler: \_\_\_\_%      Reinsurance Broker/Intermediary: \_\_\_\_%

Other: \_\_\_\_% (Please Specify) \_\_\_\_\_

**\*If any of your business is derived from activities as an MGA/General Agent/Program Administrator, please complete the MGA/GENERAL AGENT/PROGRAM ADMINISTRATOR Supplemental Application.**

7. Please indicate the percentage of your total premium volume from the following: **(Total of all sections combined must equal 100%):**

**Personal Lines:**

Standard Auto \_\_\_\_\_ %  
 Umbrella \_\_\_\_\_ %  
 Non-Standard Auto \_\_\_\_\_ %  
 Marine \_\_\_\_\_ %  
 Homeowners \_\_\_\_\_ %  
 Flood, Wind \_\_\_\_\_ %  
 Other (Specify) \_\_\_\_\_ %

**Group Life/Accident & Health:**

Life \_\_\_\_\_ %  
 Fully Insured Health \_\_\_\_\_ %  
 LTD \_\_\_\_\_ %  
 Self-Insured Health \_\_\_\_\_ %  
 STD \_\_\_\_\_ %  
 METS/MEWAS \_\_\_\_\_ %  
 Dental \_\_\_\_\_ %  
 Stop Loss \_\_\_\_\_ %  
 Other (Specify) \_\_\_\_\_ %

**Commercial Lines:**

Auto (except long haul trucking) \_\_\_\_\_ %  
 Long Haul Trucking \_\_\_\_\_ %  
 Workers Comp \_\_\_\_\_ %  
 Flood, Wind \_\_\_\_\_ %  
 BOP/SMP \_\_\_\_\_ %  
 Fidelity \_\_\_\_\_ %  
 GL/Products \_\_\_\_\_ %  
 Surety \_\_\_\_\_ %  
 Commercial Property \_\_\_\_\_ %  
 Aviation \_\_\_\_\_ %  
 Inland Marine \_\_\_\_\_ %  
 Crop \_\_\_\_\_ %  
 Ocean Marine \_\_\_\_\_ %  
 Professional Liability/D&O \_\_\_\_\_ %  
 Medical Malpractice \_\_\_\_\_ %  
 Other (Specify) \_\_\_\_\_ %

**Individual Life/Accident & Health:**

Term Life \_\_\_\_\_ %  
 Whole Life \_\_\_\_\_ %  
 LTD \_\_\_\_\_ %  
 Universal Life \_\_\_\_\_ %  
 STD \_\_\_\_\_ %  
 Fixed Annuities \_\_\_\_\_ %  
 Health \_\_\_\_\_ %  
 Accident/AD&D \_\_\_\_\_ %  
 LTC \_\_\_\_\_ %  
 Credit Life \_\_\_\_\_ %  
 Split Dollar \_\_\_\_\_ %  
 Premium Financed Life \_\_\_\_\_ %  
 COLI/BOLI \_\_\_\_\_ %  
 Other (Specify) \_\_\_\_\_ %

8. Does the Applicant specialize or focus its operation on any specific industry?  Yes  No  
 If "Yes," please provide details: \_\_\_\_\_

9. Please indicate if you provide the following services:

	<b><u>Yes</u></b>	<b><u>No</u></b>
A. Claims Adjusting	<input type="checkbox"/>	<input type="checkbox"/>
If "Yes," do you have the authority to deny claims?	<input type="checkbox"/>	<input type="checkbox"/>
B. Claims Draft Authority. If "Yes," indicate maximum amount: _____	<input type="checkbox"/>	<input type="checkbox"/>
C. Inspections, Safety Engineering, Loss Control or Risk Management	<input type="checkbox"/>	<input type="checkbox"/>
D. Policy Issuance	<input type="checkbox"/>	<input type="checkbox"/>
E. TPA Services. If "Yes," please describe: _____	<input type="checkbox"/>	<input type="checkbox"/>
_____		
_____		
F. Reinsurance Placement	<input type="checkbox"/>	<input type="checkbox"/>
G. Actuarial Services	<input type="checkbox"/>	<input type="checkbox"/>
H. Underwriting. If "Yes," complete the MGA Supplemental Application	<input type="checkbox"/>	<input type="checkbox"/>

10. Have you had any agency contracts cancelled by any insurance carrier for reasons other than lack of production?  
 Yes  No      If "Yes", please attach details.

11. Have you or any of your directors, officers, employees or partners been the subject of a disciplinary action, investigation or complaint during the past policy period as a result of any professional activities?  
 Yes     No    If "Yes", please attach details.

12. What is the number of sensitive data records currently stored?    # \_\_\_\_\_

13. Does your agency have a secure firewall and up-to-date anti-virus program?     Yes     No

14. Is encryption used when transmitting personal information?     Yes     No

15. Does the Applicant have a document retention and destruction policy?     Yes     No

16. Does the Applicant restrict access to private consumer information or customer files to employees on a business need to know basis?     Yes     No

**All written statements and materials furnished in conjunction with this application including any supplements attachments made there to by or on behalf of the applicant are hereby incorporated into this application and made a part hereof.**

**This application does not bind you to buy, nor us to issue the insurance, but it is agreed that this application shall be the basis of the contract between us should a policy be issued, and it will be attached to and made a part of the policy. You declare that the statements set forth in this application are true. You agree that if the information supplied in this application changes between the date stated below and the time when the policy is issued, you will immediately notify us of such changes, and we may withdraw or modify any outstanding quotations and/or authorizations or agreements to bind the insurance.**

**FORM ASPBRP057NY, NEW YORK IMPORTANT NOTICE APPLICATION AND DECLARATIONS ADDENDUM, IS MADE PART OF THIS APPLICATION BY REFERENCE, AND BY SIGNATURE BELOW, APPLICANT CONFIRMS RECEIPT OF THE FORM ALONG WITH THIS APPLICATION.**



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\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Name (Please Print or Type)

\_\_\_\_\_  
Title (Please Print or Type)

\_\_\_\_\_  
Date (MM / DD/ YYYY)

---

\_\_\_\_\_  
Print or Type Name Agent/Broker for Applicant

\_\_\_\_\_  
Signature Of Agent/Broker

\_\_\_\_\_  
Print or Type Name of Insurance Brokerage

\_\_\_\_\_  
Title Of Agent/Broker

\_\_\_\_\_  
Date (MM / DD/ YYYY)



# Professional Liability Insurance for Insurance Agents and Brokers Program Administrator Supplemental Application

**Note: This supplemental application becomes a part of your application for coverage with Us and therefore forms a part of the policy if coverage is bound.**

1. Name of Applicant: \_\_\_\_\_
2. Please provide details on all programs for which you act as an MGA, MGU, GA and/or Program Administrator (Use an addendum if you have more than four programs):

Program Description (Industry and/or Lines of Business)	Carrier Name	Current Annualized Premium Volume	Year of Program Inception With This Carrier	Your Authority Level For Each Line Of Coverage

3. When acting as an MGA, MGU, GA and/or Program Administrator, are your quotes, binders and/or policies issued via computer systems provided and maintained by (check off all that apply and provide details if applicable):
  - a. Carriers? Quotes  Binders  Policies
  - b. Third Party Vendors? Quotes  Binders  Policies
  - c. Employee Generated Software Development? Quotes  Binders  Policies
4.
  - a. Do you have discretion over pricing, terms and conditions for the programs that you manage?  Yes  No
  - b. Do you have discretion over the use of or drafting of endorsement for any of these programs?  Yes  No
5.
  - a. Please provide a breakdown (for all the above programs combined) of business received from sub-agents versus direct from the insured: Sub-agent \_\_\_\_% Direct \_\_\_\_%
  - b. How many Sub-agents have binding authority in your program(s)? \_\_\_\_\_
  - c. If you accept business from Sub-agents, do you require evidence of Professional Liability coverage?  
 Yes  No If Yes, what limits are required? \$ \_\_\_\_\_
6.
  - a. Do you have a written agreement with all carriers for which you have underwriting authority?  Yes  No

- b. Do all your contracts contain indemnification or "hold harmless" clauses inuring to your firm's benefit for liability arising of the carrier's activities?  Yes  No
- c. Do you have written authority levels for each program?  Yes  No
- d. Do you have written underwriting guidelines for each program?  Yes  No
- e. Do all of your programs have cancellation provisions allowing the carrier to terminate the program?  Yes  No

7. a. Are all your programs audited annually?
- Underwriting?  Yes  No
- Administration/Finance?  Yes  No

If "No", please provide details about the program and the frequency of the Underwriting or Administration/Finance audit:

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- b. As a result of any carrier conducted audits completed in the last 3 years, have you received any of the following:
  - Threat of termination.  Yes  No
  - An overall grade of Unsatisfactory or a comparable overall grade.  Yes  No
  - Any breaches of authority.  Yes  No

If you checked one or more of the above, please provide details on a separate sheet including the nature of the problem(s) or infraction(s) cited by the auditing carrier, audit dates, and any curative action taken or explanation provided to the carrier.

- c. Have you complied with all recommendations made by carrier's via Underwriting and/or Administration/Finance audits?  Yes  No If "No", please provide details on a separate sheet.

- 8. Do you anticipate starting or moving any programs in the next 12 months?  Yes  No  
If "Yes", please provide details on a separate sheet.

Completion of this supplemental application or tendering of premium does not bind coverage. This supplemental application is subject to company underwriting guidelines.

I understand information submitted herein becomes a part of the Applicant's INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY APPLICATION and is subject to the same representations and conditions.

Signature/Title \_\_\_\_\_ / \_\_\_\_\_

Date \_\_\_\_\_



# Professional Liability Insurance for Insurance Agents and Brokers Third Party Administrator Supplemental Application

**Note: This supplemental application becomes a part of your application for coverage with Us and therefore forms a part of the policy if coverage is bound.**

1. Name of applicant: \_\_\_\_\_
  
2. Please check applicable services provided or contracted for by your firm as a Third Party Administrator and where applicable advise premium and gross commission/revenue by coverage/service type:
  - Claims administration – please indicate claims types, i.e., Workers Comp, etc.  
\_\_\_\_\_
  - Cost Containment \_\_\_\_\_
  - COBRA Compliance \_\_\_\_\_
  - ERISA Compliance \_\_\_\_\_
  - Section 125 (Cafeteria Plan) Administration \_\_\_\_\_
  - Pension Benefits Administration \_\_\_\_\_
  - Actuarial Services \_\_\_\_\_
  - Utilization Review (pre-certification) \_\_\_\_\_
  - Medical Bill Review \_\_\_\_\_
  - Structured Settlements \_\_\_\_\_
  - Placement of Reinsurance / Stop-Loss or other type of coverage. \_\_\_\_\_
  - Other \_\_\_\_\_
  - Other \_\_\_\_\_

Was the above commission/revenue included in the main insurance application to which this supplemental application will attach?  Yes  No

3. Please list clients for whom you provide Third Party Administration Services:

Name of Client	Client Type(s)*	Gross Revenue by Client

\* Examples of client type: Municipality, Union, Multiple Employer Trust / Multiple Employer Welfare Arrangement, HMO, PPO, Hospital, Physician Practice, Captive Insurance Program, Risk Retention Group, Insurance Company, MGA, GA. If more than one category of Client Type applies, state so.

4. a. Do you use your own standard client contract for **all** TPA Services you provide?  Yes  No
- b. If “yes” to 4.a., please provide a copy of your standard contract. If “no” to 4.a., please provide copies of your three largest client contracts.
5. Please provide resumes of key agency personnel with TPA experience.

**Completion of this application or tendering of premium does not bind coverage. This application is subject to company underwriting guidelines.**

**Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for Insurance containing any false information, or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent Insurance act which is a crime.**

Insured Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Name (Please Print): \_\_\_\_\_ Date: \_\_\_\_\_



# Professional Liability Insurance for Insurance Agents and Brokers Representation Application

1. Applicant Company (Full Legal Name): \_\_\_\_\_

2. Principal Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Website: \_\_\_\_\_ Main Office Telephone: ( \_\_\_\_\_ ) \_\_\_\_\_

3. Have any of the Applicant’s owners, principals, directors, officers or employees ever been the subject of disciplinary or criminal actions as a result of their professional activities?  Yes  No

If “Yes” Please explain.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Have any professional liability claims been made against the Applicant, Applicant’s owners, principals, directors, officers or employees in the last 5 years?  Yes  No

If “Yes” Please explain.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Does the Applicant, Applicant’s owners, principals, directors, officers or employees have knowledge of any act, error or omission which might reasonably give rise to a claim against any potential insured or its predecessors in business?  Yes  No

If “Yes” Please explain.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please attach a separate sheet or any claim documents if further explanation is needed for any of the previous above questions.

It is understood and agreed that if the answer to questions 3, 4, or 5 is “Yes”, any such claim or potential claim is specifically excluded from this proposed coverage.

**Notice to Applicant: Please Read Carefully.**

**Representation:** The applicant represents that the information contained herein is true as of the date of this application is executed and understands that it shall be the basis of the policy of insurance and deemed incorporated herein if the Insurers accept this application by issuance of a policy. It is understood and agreed that this representation constitutes a continuing obligation to report to the Insurers, as soon as possible, any material change in the circumstances of the applicant's business, including but not limited to size of the firm, area of business engaged in by the firm and information contained on each Supplemental application submitted by the applicant.

**THE APPLICATION MUST BE SIGNED AND DATED BY AN OWNER, OFFICER OR PARTNER.**

Name and Title (please print): \_\_\_\_\_

Applicant Signature: \_\_\_\_\_ Dated (Month-Day-Year): \_\_\_\_\_



# Professional Liability Insurance for Insurance Agents and Brokers Aviation Supplemental Application

**Note: This supplemental application becomes a part of your application for coverage with Us and therefore forms a part of the Policy if coverage is bound.**

1. Name of Applicant: \_\_\_\_\_

2. Are you owned in part by or do you own in part any company or individual who is engaged in an aviation-related business?  Yes  No If "Yes", please provide details. \_\_\_\_\_

\_\_\_\_\_

3. Estimated premium breakdown by type:

- |  |   |
|--|---|
| a. Agricultural aviation _____   | n. Fixed Base Operators _____                         |
| b. Aircraft brokers _____  | o. Flight schools _____                               |
| c. Airlines - major & regional _____   | p. Fractional Ownership _____                         |
| d. Airport property and liability _____  | q. Hangar keepers' liability _____                    |
| e. Air show liability _____  | r. Heliport liabilities _____                         |
| f. Air taxi operators _____  | s. Helicopters _____                                  |
| g. Antique aircraft _____  | t. Industrial aid aircraft _____                      |
| h. Aviation Product Liability (including airframe component manufacture) _____ | u. Non-ownership liability _____                      |
| i. Business aircraft _____   | v. Pleasure aircraft _____                            |
| j. Cargo liability _____   | w. Property insurance (hangar/office buildings) _____ |
| k. Charter aircraft _____  | x. Sales demonstration aircraft _____                 |
| l. Corporate aircraft fleets _____   | y. Worker's compensation & employer's liability _____ |
| m. Experimental aircraft _____   | z. Other _____  |

4. Please list carriers you currently place aviation-related coverage with:

NAME	PREMIUM DERIVED FROM AVATION PLACEMENTS (\$)	NUMBER OF YEARS REPRESENTED



5. Please list your four largest aviation clients:

NAME OF CLIENT	SERVICES PROVIDED / COVERAGES PLACE	GROSS PREMIUM PLACED
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____

6. Please attach resume(s) of key personnel highlighting aviation insurance placement experience.

*Completion of this application or tendering of premium does not bind coverage. This application is subject to company underwriting guidelines.*

Signature \_\_\_\_\_

Date \_\_\_\_\_

Name (Please Print): \_\_\_\_\_

Title \_\_\_\_\_



# Professional Liability Insurance for Insurance Agents and Brokers Supplemental Claim Form

*A copy of this form should be completed for each claim, suit or incident.  
Please be sure to answer all questions completely.*

1. Full Name of Applicant/Insured: \_\_\_\_\_

2. Full Name of Individuals and or Firm Involved in the claim: \_\_\_\_\_  
\_\_\_\_\_

3. Full Name of Claimant: \_\_\_\_\_

4. Date Applicant/Insure first became aware of the alleged error: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

5. Date reported to your insurance carrier: \_\_\_\_\_ Name of Carrier: \_\_\_\_\_

6. Additional Defendants: \_\_\_\_\_

7. Current Status:  Open  Closed  Incident only  in Suit

8. If Open or in Suit:

Claimant's settlement demand: \$ \_\_\_\_\_ Defendant's Settlement Offer: \$ \_\_\_\_\_

Insurer's paid losses to date: \$ \_\_\_\_\_ Insurer's expenses paid to date: \$ \_\_\_\_\_

9. If Closed:

Date Closed: \_\_\_\_\_ Total Paid: \$ \_\_\_\_\_  
(MM/DD/YY)

Total legal expenses paid: \$ \_\_\_\_\_ Deductible applicant paid: \$ \_\_\_\_\_

10. Please provide a brief description of the claim, including the alleged wrongful acts, the events leading to the claim, the type and extent of injury or damage alleged:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

11. Briefly describe any corrective actions taken to prevent similar claims in the future:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Principal: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title



# Professional Liability Insurance for Insurance Agents and Brokers Cyber Supplemental Application

**Note: This supplemental application becomes a part of your application for coverage with Us and therefore forms a part of the Policy if coverage is bound.**

1. Name of Applicant: \_\_\_\_\_
2. What is the number of sensitive data records currently stored? # \_\_\_\_\_
3. Does your agency have a secure firewall and up-to-date anti-virus program?  Yes  No
4. Does the Applicant have a document retention and destruction policy?  Yes  No
5. Is encryption used when transmitting personal information?  Yes  No
6. Does the Applicant restrict access to private consumer information or customer files to employees on a business need to know basis?  Yes  No
7. Does any Applicant, director, officer, employee or other proposed Insured have knowledge or information of any fact, circumstance, situation, event, or issue which may give rise to a Claim against any Insured for invasion of or interference with any right of privacy, wrongful disclosure of personal information, or violation of any privacy related statute or regulation?  
 Yes  No If "Yes," please attach details and advise whether or not the potential claim has been reported to any carrier.
8. During the past three (3) years, has anyone made any Claim against the Applicant for invasion of or interference with any right of privacy, wrongful disclosure of personal information, or violation of any privacy related statute or regulation?  
 Yes  No If "Yes," please attach details.

*Completion of this application or tendering of premium does not bind coverage. This application is subject to company underwriting guidelines.*

Signature \_\_\_\_\_ Date \_\_\_\_\_

Name (Please Print): \_\_\_\_\_ Title \_\_\_\_\_

SERFF Tracking #:

REGU-132469567

State Tracking #:

R2020002474

Company Tracking #:

AAIC-IAB-19

**State:** New York **Filing Company:** Aspen American Insurance Company  
**TOI/Sub-TOI:** 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability  
**Product Name:** Insurance Agents and Brokers Professional Liability Program Filing  
**Project Name/Number:** Insurance Agents and Brokers Professional Liability Program Filing/AAIC-IAB-19

### Rate Information

Rate data applies to filing.

**Filing Method:** File & Use  
**Rate Change Type:** Neutral  
**Overall Percentage of Last Rate Revision:** 0.000%  
**Effective Date of Last Rate Revision:**  
**Filing Method of Last Filing:** N/A - New Program  
**SERFF Tracking Number of Last Filing:** N/A - New Program Filing

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Aspen American Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

**State:** New York**Filing Company:**

Aspen American Insurance Company

**TOI/Sub-TOI:** 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability**Product Name:** Insurance Agents and Brokers Professional Liability Program Filing**Project Name/Number:** Insurance Agents and Brokers Professional Liability Program Filing/AAIC-IAB-19

## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Aspen American Insurance Company Insurance Agents & Brokers Professional Liability Insurance Program Countrywide Rating Manual	AAIC-Insurance Agents & Brokers Professional Liability CW Rating Manual (Ed. 1.2018)	New		AAIC-Insurance Agents Brokers Professional Liability CW Rating Manual (Ed. 1.2018).pdf
2		ASPEN AMERICAN INSURANCE COMPANY INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY PROGRAM STATE PAGES - New York	AAIC IAB New York SEP (Ed. 07.2020)	New		NY STATE PAGES (Ed. 07-2020).pdf

**Aspen American Insurance Company**  
Insurance Agents & Brokers Professional Liability Insurance Program  
Countrywide Rating Manual

**General Rules**

**Outline**

- I. Eligible Risks
- II. Calculation of Premium
  - A. Hazard Groups and Base Rates
  - B. Prior Acts Factors
  - C. Increased Limits Factors
  - D. Deductible Credit Factors
  - E. Defense Costs Inside/Outside the Limits Of Liability
  - F. Severity Factors
  - G. Organizational Stability
  - H. Prior Litigation Experience
  - I. Modifications
  - J. Coverage Enhancements/Restrictions
  - K. Whole Dollar Premium Rule
- III. Rate Page
  - A. Hazard Groups
  - B. Base Rates

**Aspen American Insurance Company**  
**Insurance Agents & Brokers Professional Liability Insurance Program**  
**Countrywide Rating Manual**

I. Eligible Risks

The Insurance Agents and Brokers Professional Liability Insurance Policy may be issued to:

- a. a property, casualty, surety, life, accident, health or other insurance agent
- b. an insurance broker
- c. an insurance consultant
- d. a company providing insurance services such as: managing general agent, program administrator, general agent, surplus lines broker, wholesale broker, notary, premium financing, claims handling or adjusting, risk management and loss control services

II. Calculation Of Premium

Premiums are calculated using the rating factors and criteria below.

A. Hazard Groups and Base Rates

The hazard groups and base rates displayed on the Rate Page (Section III.) provide for limits of liability of \$1,000,000 per claim and \$1,000,000 aggregate.

B. Prior Acts Factors

<u>Factor</u>	<u>Years of Prior Acts Coverage</u>
0.85	0
0.90	1-2
0.95	3-4
1.00	5 or more

C. Increased Limits Factors (per 000)

Aggregate Limit	100	250	300	500	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000
Per Claim Limit														
100	0.500	0.555	0.570	0.620	0.700	0.850	0.950	1.050	1.100	N/A	N/A	N/A	N/A	N/A
250		0.590	0.610	0.690	0.850	0.975	1.075	1.160	1.240	N/A	N/A	N/A	N/A	N/A
300			0.620	0.700	0.866	1.000	1.100	1.190	1.280	N/A	N/A	N/A	N/A	N/A
500				0.740	0.930	1.100	1.200	1.300	1.350	N/A	N/A	N/A	N/A	N/A
1,000					1.000	1.200	1.350	1.475	1.525	N/A	N/A	N/A	N/A	N/A
2,000						1.400	1.525	1.650	1.775	N/A	N/A	N/A	N/A	N/A
3,000							1.700	1.800	1.900	1.980	N/A	N/A	N/A	N/A
4,000								1.950	2.025	2.100	N/A	N/A	N/A	N/A
5,000									2.150	2.220	2.240	N/A	N/A	N/A
6,000										2.340	2.450	N/A	N/A	N/A
7,000											2.490	N/A	N/A	N/A
8,000												2.610	N/A	N/A
9,000													2.710	N/A
10,000														2.800

The Increased Limits Factors above apply to policies that provide defense costs within the limits of liability.

**Aspen American Insurance Company**  
**Insurance Agents & Brokers Professional Liability Insurance Program**  
**Countrywide Rating Manual**

D. Deductible Credit Factors

The policy's deductible applies on a per claim basis. The following factors apply:

Deductible	Applies to Defense Costs	Does not Apply to Defense Costs
\$0	1.20	1.20
1,000	1.10	1.15
2,500	1.00	1.10
5,000	0.90	1.00
7,500	0.85	0.94
10,000	0.82	0.90
15,000	0.79	0.86
20,000	0.77	0.82
25,000	0.75	0.80
35,000	0.71	0.76
50,000	0.67	0.72
75,000	0.63	0.68
100,000	0.60	0.65
150,000	0.57	0.62

(Refer to Company for higher Deductible Credit Factors)

E. Defense Costs Inside/Outside The Limits Of Liability

	<u>Factor</u>
Defense costs included within policy limits	1.00
Defense costs in addition while limits are below \$1M	1.25
Defense costs in addition while limits are \$1M or higher	1.125

F. Severity Factors

The following table takes into consideration both the severity potential of the account and the degree of litigiousness of the area in which it operates.

<u>Severity Potential</u>	<u>Litigiousness of Area of Operation</u>			
	<u>Low</u>	<u>Medium</u>	<u>High</u>	<u>Severe</u>
Low	.80	.90	1.00	1.10
Average	.90	1.00	1.10	1.20
High	1.05	1.15	1.25	1.35

Definitions for Litigiousness Criteria:

“Low” - operates in a very favorable region including a low propensity of client suits and an excellent legal environment.



**Aspen American Insurance Company**  
**Insurance Agents & Brokers Professional Liability Insurance Program**  
**Countrywide Rating Manual**

“Medium” - operates in a generally favorable region including a low propensity of client suits and a good legal environment.

“High” - operates in an unfavorable region including a propensity for client suits and a poor legal environment.

“Severe” - operates in a very unfavorable region including a high propensity of client suits and a poor legal environment.

G. Organizational Stability

The following table takes into consideration both the stability of the insured’s operations and the level of maturity of the account.

<u>Maturity</u> (Years in <u>Business</u> )	<u>Stability</u> (Level of Change Within the Operation)			
	<u>Low</u>	<u>Medium</u>	<u>High</u>	<u>Severe</u>
0 – 3 years	1.05	1.15	1.25	1.35
3 – 5 years	0.95	1.05	1.15	1.25
5+ years	0.90	1.00	1.10	1.20

Definitions for Stability Criteria:

“Low” - negligible change in size of the operation, with no change in type of operations, no mergers or acquisitions, and long-term staff.

“Medium” - some change in size of operations but generally less than 20%; small changes in mix of business; no significant staff changes.

“High” - significant change in size of operation, generally 25 – 50%, and/or type of operation; mergers/acquisitions have or are likely to take place; key staff changes.

“Severe” - size of operation changing by greater than 50%; significant change in nature of operations; significant merger/acquisition activity and/or major staff changes.

H. Prior Litigation Experience

The following table takes into consideration the type, frequency, and severity of claims made against the insured.

<u>Prior Claims</u>	<u>Likely to Repeat</u>	<u>Unlikely to Repeat</u>
Significant	1.85	1.60
Material	1.50	1.25
Minimal	1.20	1.10
None	1.00	1.00

Definitions Severity of Claims:

“Significant” - there is a likelihood of an ultimate payment exceeding both the deductible and 10% of the policy limit.

“Material” - reserves established, payment may exceed deductible, but not likely to exceed 10% of the policy limit.

**Aspen American Insurance Company**  
**Insurance Agents & Brokers Professional Liability Insurance Program**  
**Countrywide Rating Manual**

“Minimal” - claims have been reported, reserves may have been established, but there is a low likelihood of a payment.

“None” - no claims reported or reported with no ultimate payments in excess of the deductible.

**I. Modifications**

Apply one or more of the following in accordance with the following schedule rating table, subject to the maximum allowed by the State.

	<u>Max Debit/Credit</u>
* Management experience level	+/- 15%
* Financial strength	+/- 15%
* Organizational structure (centralized/decentralized)	+/- 10%
* Education/professional associations	+/- 10%
* Utilization of adequate procedures manual/data systems	+/- 15%
* Internal loss prevention	+/- 15%
* Unusual agent to revenue relationship	+/- 15%
* Quality of companies represented	+/- 15%
* Degree of specialization	+/- 15%
* Coverage differences not otherwise contemplated	+/- 15%

The maximum aggregate debit/credit for modifications shall not exceed that which is shown in the table below:

-15/+15	-25/+25			-40/+25	-40/+40		-50/+40	-50/+50	NA <sup>1</sup>
NY	AK	IA	NM	SC	AR	NH	GA	IL	HI
	AL	ID	NV		KS	OK		IN	NE
	AZ	LA	OH		MD	PA		KY	
	CA	MA	OR		ME	RI		NC	
	CO	MI	PR		MN	TX		TN	
	CT	MO	SD		MS	WV		VA	
	DC	ND	UT		MT			VT	
	DE	NJ	WA					WI	
	FL							WY	

<sup>1</sup> NA = Schedule Rating is not available

*Florida only: A minimum premium of \$1,000, before and after schedule rating, is necessary for schedule rating to apply.*

*New York only: A basic limits premium of \$2,500 is necessary for schedule rating to apply.*

**Aspen American Insurance Company**  
**Insurance Agents & Brokers Professional Liability Insurance Program**  
**Countrywide Rating Manual**

J. Coverage Enhancements/Restrictions

Apply the appropriate factors based upon endorsements attached to the policy. If multiple factors apply they are to be added together to derive one net factor.

<u>Endorsement Description</u>	<u>Debit</u>	<u>Credit</u>
Add Independent Contractors	10%(Not Exclusive)	0% (Exclusive)
Amend Insolvency Exclusion	10%(Expanded )	10%(Restrictive)
Delete Reinsurance Exclusion	10%	---
Aggregate Deductible	5%	---
Amended Professional Services	10%(Expanded)	10% (Restrictive)
Amended PEO Placement Services	10%	---
Choice of Defense Endorsement	10%	---
Amended Settlement Endorsement	10%(Expanded)	10% (Restrictive)

K. Whole Dollar Premium Rule

The premium for this program shall be rounded to the nearest whole dollar. A premium involving \$.50 or more shall be rounded to the next higher dollar.

III. Rate Page

A. Hazard Groups

Base Rates are assigned to three (3) Hazard Groups, as follows:

Hazard Group I

- predominately uses standard policy forms containing non-negotiable terms and conditions (excluding limits, deductibles and premiums)
- rarely involved with manuscripting or customizing coverages

Hazard Group II

Accounts whose operations include those described in Hazard Group I, but which may also involve more sophisticated operations including, but not limited to:

- administration of a binding authority on behalf of an admitted insurance company for standard (non-individual account negotiated) coverages
- wholesalers or others who deal through other brokers rather than directly with the insured
- third party administrators

**Aspen American Insurance Company**  
**Insurance Agents & Brokers Professional Liability Insurance Program**  
**Countrywide Rating Manual**

Hazard Group III

Accounts that handle more complex or sophisticated clients or operations that may include a significant amount of:

- reinsurance brokering
- income derived from insurance consulting or risk management
- administration of a binding authority for non-standard lines of business or for non-standard policy forms
- business underwritten on behalf of or placed with non-admitted insurers
- significant claims handling or claims settlement authority

B. Base Rates (per \$1,000 of Gross Revenue)

<u>Gross Revs ('000s)</u>	<u>Hazard Group I</u>	<u>Hazard Group II</u>	<u>Hazard Group III</u>
First \$100	\$700 flat charge	\$1,400 flat charge	\$2,250 flat charge
Next \$150	6.00	12.30	18.50
Next \$250	3.30	6.75	10.15
Next \$500	2.95	6.10	9.15
Next \$500	2.60	5.40	8.10
Next \$500	2.30	4.75	7.15
Next \$1,000	2.00	4.15	6.20
Next \$2,000	1.70	3.55	5.30
Next \$ 5,000	1.45	3.05	4.50
Next \$ 5,000	1.20	2.50	3.75
Next \$10,000	1.00	2.00	3.00
Excess of \$25,000	0.75	1.50	2.25

**ASPEN AMERICAN INSURANCE COMPANY  
INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY PROGRAM  
STATE PAGES**

**New York**

A. Rule II. Calculation of Premium, Section C. is deleted and replaced by the following:

C. Increased Limits Factors (per 000)

Aggregate Limit	100	250	300	500	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000
Per Claim Limit														
100	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
250		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
300			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
500				0.740	0.930	1.100	1.200	1.300	1.350	N/A	N/A	N/A	N/A	N/A
1,000					1.000	1.200	1.350	1.475	1.525	N/A	N/A	N/A	N/A	N/A
2,000						1.400	1.525	1.650	1.775	N/A	N/A	N/A	N/A	N/A
3,000							1.700	1.800	1.900	1.980	N/A	N/A	N/A	N/A
4,000								1.950	2.025	2.100	N/A	N/A	N/A	N/A
5,000									2.150	2.220	2.240	N/A	N/A	N/A
6,000										2.340	2.450	N/A	N/A	N/A
7,000											2.490	N/A	N/A	N/A
8,000												2.610	N/A	N/A
9,000													2.710	N/A
10,000														2.800

The Increased Limits Factors above apply to policies that provide defense costs within the limits of liability.

B. Rule II. Calculation of Premium, Section I. is deleted and replaced by the following:

I. Modifications

Apply one or more of the following. The Maximum credit or debit permitted is 15%.

- |  | <u>Max Debit/Credit</u> |
|--|-------------------------|
| * Management experience level<br><i>(i.e. Normal = 5 to 10 years running an Insurance Agency with no claims; More than 10 years, experience would receive a credit; Less than 5 years would receive a debit)</i>   | +/- 10%                 |
| * Financial strength<br><i>(i.e. Normal = consistent revenue (gross commissions &amp; income) of \$1,000,000 or more for 3 to 5 years for an existing organization; consistent revenues of \$1,000,000 or more for than 5 years for an existing organization would receive a credit; less than \$1,000,000 revenues would receive a debit;</i> | +/- 10%                 |

- Inconsistent revenues deviating +/- 25% for any size agency from one year to next, except for mergers/acquisitions/sales would receive a debit)*
- \* Organizational structure (centralized/decentralized) +/- 10%  
*(An agency that has numerous locations that adhere to one common set of policies/procedures/guidelines would receive a credit. An agency that has numerous locations that do not adhere to one common set of policies/procedures/guidelines would receive a debit)*
  - \* Education/professional associations +/- 10%  
*(An agency which participates in a professional association, or an agency which participates in annual education / risk management classes would receive a credit. An agency which does not participate in a professional association, or an agency which does not participate in annual education / risk management classes would receive a debit.)*
  - \* Utilization of adequate procedures manual/data systems (i.e. +/- 10%  
*Normal is all mail date stamped, renewal lists maintained, systems are backed up daily & off site, etc - refer to application, any deviation from these procedures will trigger a debit)*
  - \* Internal loss prevention +/- 10%  
*(i.e. litigation history and actions taken to prevent future incidents)*
  - \* Unusual agent to revenue relationship +/- 10%  
*(An agency that is properly staffed (i.e. commission amounts appear consistent with head count) would receive a credit. An agency that is understaffed (i.e. high commissions but low head count) would receive a debit.)*
  - \* Quality of companies represented +/- 10%  
*(An agency that has appointments with financially stable carriers with ratings such as B+ by A.M. best ratings or A or better rated by Demotech would receive a credit. An agency that does not have appointments with financially stable carriers with ratings such as B+ by A.M. best ratings or A or better rated by Demotech would receive a debit)*
  - \* Degree of specialization +/- 10%  
*(Refer to application, the more diverse the products placed will trigger a debit; specialization in high exposure product placements, e.g. Bonds, Aviation, Professional Liability Medical Malpractice, Petroleum Exploration/Mining, Reinsurance if not placed by experienced agents or with in frequency will trigger a debit; specialization in high exposure product placements by experienced agents and with frequency will trigger a credit)*

The maximum aggregate debit/credit for modifications shall not exceed that which is shown in the table below:

-15/+15	-25/+25			-40/+25	-40/+40		-50/+40	-50/+50	NA <sup>1</sup>
NY	AK	IA	NM	SC	AR	NH	GA	IL	HI
	AL	ID	NV		KS	OK		IN	NE
	AZ	LA	OH		MD	PA		KY	
	CA	MA	OR		ME	RI		NC	
	CO	MI	PR		MN	TX		TN	
	CT	MO	SD		MS	WV		VA	
	DC	ND	UT		MT			VT	
	DE	NJ	WA					WI	
	FL							WY	

<sup>1</sup> NA = Schedule Rating is not available

New York only: A basic limits premium of \$2,500 is necessary for schedule rating to apply.

C. Rule II. Calculation of Premium, Section J. is deleted and replaced by the following:

J. Coverage Enhancements/Restrictions

Apply the appropriate factors based upon endorsements attached to the policy. If multiple factors apply they are to be added together to derive one net factor.

<b>Enhancement Endorsements</b>	<b>Debit</b>
Add Independent contractors (not restricted to exclusive)	10%
Amend (expanded) Insolvency Exclusion	10%
Delete Reinsurance Exclusion	10%
Aggregate Deductible	5%
Amend (expand) Professional Services ( <i>restricted to risk management or loss control services such as MVR orders, contracted safety education and similar services</i> )	10%
Amend PEO placement Services	10%
Choice of Defense Endorsement	10%
Amended Settlement Endorsement (expansion)	10%

<b>Restriction Endorsements</b>	<b>Credit Factor</b>
Add Independent contractors (restricted to exclusive)	No adjustment
Amend (restriction) Insolvency Exclusion	-10%
Amend (restrict) Professional Services ( <i>restricted to risk management or loss control services such as MVR orders, contracted safety education and similar services</i> )	-10%
Amended Settlement Endorsement (restriction)	-10%

### **Coverage Enhancements or Restrictions**

After review of the exposures presented, apply the appropriate factors below based upon the listed endorsements when attached to the policy. If multiple endorsements apply, their factors are to be added together to derive one net factor. Each endorsement can receive only a Debit OR a Credit factor, NOT both. Assignment details should be retained in file. These are not considered as part of any schedule rating plan applicable to the entire policy.



**State:** New York **Filing Company:** Aspen American Insurance Company  
**TOI/Sub-TOI:** 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability  
**Product Name:** Insurance Agents and Brokers Professional Liability Program Filing  
**Project Name/Number:** Insurance Agents and Brokers Professional Liability Program Filing/AAIC-IAB-19

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Explanatory Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	NY - Exhibit RF-1.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Professional Liability and Errors and Omissions Review Standards Checklist
<b>Comments:</b>	
<b>Attachment(s):</b>	NY Professional Liability Standards Checklist.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Commercial Liability Insurance Review Standards Checklist
<b>Comments:</b>	
<b>Attachment(s):</b>	NY Standards Checklist.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Commercial Liability Insurance Form Filing Compliance Questionnaire
<b>Comments:</b>	
<b>Attachment(s):</b>	Commercial Liability Compliance Questionnaire.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Commercial Lines Cancellation & Nonrenewal Form Filing Compliance Questionnaire (NYIL 3426)
<b>Comments:</b>	
<b>Attachment(s):</b>	Cancellation-Nonrenewal Filing Compliance Questionnaire.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Claims-Made Policies Form Filing Compliance Questionnaire
<b>Comments:</b>	
<b>Attachment(s):</b>	Claims-Made Checklist.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

**State:** New York **Filing Company:** Aspen American Insurance Company  
**TOI/Sub-TOI:** 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability  
**Product Name:** Insurance Agents and Brokers Professional Liability Program Filing  
**Project Name/Number:** Insurance Agents and Brokers Professional Liability Program Filing/AAIC-IAB-19

<b>Satisfied - Item:</b>	Defense-Within-Limits Policies Form Filing Compliance Questionnaire
<b>Comments:</b>	
<b>Attachment(s):</b>	DWL Checklist.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Side-By-Side Comparisons
<b>Bypass Reason:</b>	N/A - New program.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Sexual harassment coverage requirements
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Rates and/or Rating Plans
<b>Comments:</b>	
<b>Attachment(s):</b>	NY Rate Filing Sequence Checklist.pdf NY CMP Exhibit 1, 2, 3.pdf NY Exhibit RF-3.pdf NY Exhibit RF-4.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Consent-to-rate requirements
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Audit Provisions/premium Audit Rules
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	

**State:** New York **Filing Company:** Aspen American Insurance Company  
**TOI/Sub-TOI:** 17.2 Other Liability-Claims Made Only/17.2019 Professional Errors and Omissions Liability  
**Product Name:** Insurance Agents and Brokers Professional Liability Program Filing  
**Project Name/Number:** Insurance Agents and Brokers Professional Liability Program Filing/AAIC-IAB-19

<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Minimum Premium/Return Premium and Minimum Earned Premium Rules
<b>Comments:</b>	In Compliance
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Renewal Discounts - General Liability and Professional Liability
<b>Comments:</b>	In Compliance
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Filing Authorization Letter
<b>Comments:</b>	
<b>Attachment(s):</b>	1 - Filing Authorization Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Response to Issues Raised Under State # R2020001155
<b>Comments:</b>	
<b>Attachment(s):</b>	NY AAIC-IAB-19 Response Letter 7-9-20.pdf NY Exception Page Mark-Up 7-20.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	



**LETTER OF FILING AUTHORIZATION**

This letter will certify that Insurance Regulatory Consultants, LLC (IRC) has been given full authorization to submit filings on behalf of **Aspen American Insurance Company**. This authorization extends to all correspondence regarding the filings.

**Shawn Bates**  
Name

**January 24, 2018**  
Date

**Vice President State Regulatory Compliance**  
Title

**Aspen American Insurance Company**  
Company Name

A handwritten signature in black ink, appearing to read "Shawn Bates", written over a horizontal line.

Signature

**860.760.7708**  
Telephone Number

**Re: Aspen American Insurance Company  
NAIC #: 4698- 43460; FEIN#: 75-2344200  
Agents and Brokers Professional Liability Program**

# NEW YORK INSURANCE DEPARTMENT

## COMMERCIAL LINES CANCELLATION AND NONRENEWAL FORM FILING COMPLIANCE QUESTIONNAIRE

<b>COMPANY</b> Aspen American Insurance Company	<b>Co. File No.</b> AAIC-IAB-19
<b>Company Contact:</b> Fong Li	<b>Phone Number:</b> 212-571-3989
<b>E-Mail Address:</b> fongli@ircllc.com	

**Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Section 3426 of the New York Insurance Law. Form, page and paragraph references that bring the submission into compliance must be included. Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.**

**I. SPECIFIC CANCELLATION/NONRENEWAL PROVISIONS**

**A. CANCELLATIONS**

- |  |   |                             |  |
|--|---|-----------------------------|--|
| 1. The policy provides at least 20 days notice if cancellation occurs during the first 60 days. [§3426(b)] | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |  |
| 2. After the first 60 days, a cancellation notice must:  |   |                             |  |
| a. Give at least 15 days notice [§3426(c)]   | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |  |
| b. Be only for the reason permitted by §3426(c)  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |  |

**B. NONRENEWAL/CONDITIONAL RENEWALS**

- |   |   |                             |  |
|---|---|-----------------------------|--|
| 1. Notice must be given a minimum of 60 days and maximum of 120 days notice. [§3426(e)(3)]          | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |  |
| 2. Conditional renewal notice must be sent in the event of:   |   |                             |  |
| a. Change of limits [§3426(e)(1)(B)]  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |  |
| b. Change in type of coverage [§3426(e)(1)(B)]  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |  |
| c. Reduction of coverage [§3426(e)(1)(B)]   | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |  |
| d. Increased deductible [§3426(e)(1)(B)]  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |  |
| e. Additional exclusion [§3426(e)(1)(B)]  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |  |
| f. Premium increase in excess of 10% [§3426(e)(1)(B)]   | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |  |
| 3. The notice must be mailed to the insured <u>and</u> the insured's agent or broker. [§3426(e)(1)] | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |  |

**II. OTHER PROVISIONS**

- |  |   |  |  |
|--|---|--|--|
| 1. Are there any provisions, other than those in §3426(d)(2), limiting the term of the policy to less than one year?               | YES <input type="checkbox"/>            | NO <input checked="" type="checkbox"/> |  |
| 2. Aggregate limit of expiring policy is increased in proportion to any policy extension as a result of late notice. [§3426(e)(6)] | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/>            |  |

**NOTE: All citations are to the applicable paragraphs of Section 3426 (NYIL).**

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**CLAIMS MADE POLICIES FORM FILING COMPLIANCE QUESTIONNAIRE**

PAGE 1 OF 3

<b>COMPANY</b> Aspen American Insurance Company	<b>Co. File No.</b> AAIC-IAB-19
<b>Company Contact:</b> Fong Li	<b>Phone Number:</b> 212-571-3989
<b>E-Mail Address:</b> fongli@ircllc.com	

**TYPE OF INSURANCE** Professional Liability (If Medical Malpractice, Attach Page 3)

**Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Regulation No. 121. Form, page and paragraph references that bring the submission into compliance must be included (enter NA in this column if item is not applicable to the filing). Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.**

I. EXTENDED REPORTING PERIOD REQUIREMENTS			Form/Page/Para Reference
a. Automatic ERP coverage is available	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/2/a
Length of Automatic ERP complies with [§73.3(d)]	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/2/a
b. Optional ERP coverage is available	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/2/b
Length of optional ERP complies with [§73.3(f)] <input type="checkbox"/> or [§73.3(g)] <input checked="" type="checkbox"/> (Check applicable)	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/2/b
c. Aggregate Liability Limit for ERP complies with:			
1. ERP of 3 or more years:			
[§73.3(h)(1)] - 100% reinstatement if more than 3 years continuous coverage; <b>and</b>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/3/i
[§73.3(h)(2)] - 50% reinstatement (or amount remaining) if less than 3 years continuous coverage.	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/3/ii
2. ERP of 1 year:			
[§73.3(h)(3)] - The amount remaining in the policy's aggregate limit	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/3/ii
d. ERP Coverages are available upon:			
Cancellation/nonrenewal by company – [§73.3(c)]	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/1/3
Cancellation/nonrenewal by insured – [§73.3(c)]	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/1/3
Cancellation for nonpayment/fraud after first year – [§73.3(k)]	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/1/3
Reductions in coverage as defined in [§73.1(n)(2)]	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/1/3
e. Any provisions restricting ERP coverage? [§73.3(c)(4)]		YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	/ /
f. Policy provides for notification of availability and importance of optional ERP within proper time limit [§73.3(e)(1)]	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/3/c
g. Policy provides proper time for accepting optional ERP [§73.3(e)(3)]	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/2/b
h. Policy complies with [§73.3(m)] and [§73.3(n)]	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/3/g
i. If the premium for the ERP is based on rates in effect upon termination of coverage, the ERP is for at least 5 years and aggregate is reinstated. [§73.3(j)(2)]	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	055NY/2/b

**NOTE: All citations are to the applicable sections of Regulation No. 121**

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**CLAIMS MADE POLICIES FORM FILING CHECKLIST**

**PAGE 2 OF 3**

**COMPANY** Aspen American Insurance Company

**TYPE OF INSURANCE** Professional Liability

**Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Regulation No. 121. Form, page and paragraph references that bring the submission into compliance must be included (enter NA in this column if item is not applicable to the filing). Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.**

**II. NOTICE AND DISCLOSURE REQUIREMENTS**

- |   |   |                             | Form/Page/Para<br>Reference |
|---|---|-----------------------------|-----------------------------|
| <b>a.</b> Pursuant to §73.7(a), the Declarations and Application (or addenda thereto) contain a conspicuous notice stating:   |   |                             |                             |
| 1. That the policy is written on a claims-made basis;   | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | 057NY/1/                    |
| 2. That there is no coverage for incidents prior to the retroactive date, (if any);   | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | 057NY/1/                    |
| 3. That, except for the ERP, there is no coverage for claims reported after termination of coverage;  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | 057NY/1/                    |
| 4. The length of the ERP's, and that, unless the optional ERP is unlimited, coverage gaps may occur; and  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | 057NY/1/                    |
| 5. That rates are lower in the earlier years than for an occurrence policy, but insured should expect substantial increases.  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | 057NY/1/                    |
| <b>b.</b> Indicate whether the cost for the optional ERP is based on rates in effect:   |   |                             |                             |
| <input checked="" type="checkbox"/> at the beginning of the policy period; or   |   |                             |                             |
| <input type="checkbox"/> upon termination of coverage   |   |                             |                             |
| and answer 1 or 2 below as applicable:  |   |                             |                             |
| 1. If cost for ERP is based on rates at the beginning of the policy period the cost, or the factor used to determine the cost, is displayed on the declarations [§73.7(b)(1)] | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | 057NY/1/                    |
| 2. If the cost of the ERP is based on rates in effect upon termination of coverage, the policy contains the disclosures required by:  |   |                             |                             |
| [§73.7(c)(1)]   | YES <input type="checkbox"/>            | NO <input type="checkbox"/> | / /                         |
| [§73.7(c)(2)]   | YES <input type="checkbox"/>            | NO <input type="checkbox"/> | / /                         |
| [§73.7(c)(3)]   | YES <input type="checkbox"/>            | NO <input type="checkbox"/> | / /                         |
| [§73.7(c)(4)]   | YES <input type="checkbox"/>            | NO <input type="checkbox"/> | / /                         |

**III. OTHER PROVISIONS**

- |  |                              |  |     |
|--|------------------------------|--|-----|
| a. Are there any provisions permitting change in the retroactive date? [§73.3(b)]  | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> | / / |
| b. Is the policy written on a claims-made and reported basis (claim must be made against the insured and reported to the company during the same policy period, or within a limited amount of time into the next policy period)? | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> | / / |
| c. Cost for the optional ERP is shown as range rather than a specific factor or amount   | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> | / / |

**NOTE: All citations are to the applicable sections of Regulation No. 121**

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

**CLAIMS MADE POLICIES FORM FILING CHECKLIST**

**PAGE 3 OF 3**

**COMPANY** Aspen American Insurance Company

**TYPE OF INSURANCE** Professional Liability

**Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Regulation No. 121. Form, page and paragraph references that bring the submission into compliance must be included (enter NA in this column if item is not applicable to the filing). Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.**

**IV. MEDICAL MALPRACTICE FOR OTHER THAN PHYSICIANS [§73.4]**

Form/Page/Para  
Reference

- |  |                              |                             |     |
|--|------------------------------|-----------------------------|-----|
| a. Optional ERP is unlimited.                                  | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |
| b. Optional ERP is available at no additional charge upon:     |                              |                             |     |
| 1. Death;  | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |
| 2. Permanent Disability  | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |
| 3. Retirement at age 65 with 5 consecutive years of coverage   | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |
| c. ERP coverage for hospital interest at no additional charge. | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |

**V. MEDICAL MALPRACTICE FOR PHYSICIANS [§73.5]**

- |   |                              |                             |     |
|---|------------------------------|-----------------------------|-----|
| a. Optional ERP is unlimited  | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |
| b. Aggregate for Optional ERP is reinstated annually  | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |
| c. Optional ERP can be purchased in 3 annual installments   | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |
| d. Optional ERP is available at no additional charge upon:  |                              |                             |     |
| 1. Death  | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |
| 2. Total Disability   | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |
| 3. Retirement at age 65 with 5 consecutive years of coverage or at age 55 with 10 consecutive years of coverage with any licensed company | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |
| e. ERP coverage for hospital interest at no additional charge   | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |
| f. There is coverage for former employees, etc.   | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |

**NOTE: All citations are to the applicable sections of Regulation No. 121**



**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**COMMERCIAL LIABILITY INSURANCE FORM FILING COMPLIANCE QUESTIONNAIRE**

PAGE 1 OF 3

**COMPANY** Aspen American Insurance Company

**Co. File No.** AAIC-IAB-19

**Company Contact:** Fong Li

**Phone Number:** 212-571-3989

**E-Mail Address:** FongLi@ircllc.com

**Claims Made Eligible?** YES

**Sub-Type of Insurance** Professional Errors and Omissions Liability

**Type of Insurance** Other Liability

**Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Regulation Nos. 95, 107, 110, and/or 121 and New York Insurance Law Section Nos. 1113, 2307, 3105, 3106, 3420 and/or 3426. Form, page and paragraph references that bring the submission into compliance must be included. Enter "NA" in this column for any item not applicable to the filing being submitted. Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.**

**I. ALL POLICIES**

**A. Policy complies with §2307 as follows:**

1. Is there coverage for any of the following?

a. Punitive or exemplary damages

b. Intentional acts

c. Assault and battery, except for defense of person or property

YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>

**B. Does the policy comply with § 3420 as follows?**

1. Policy is written on a "pay on behalf of" basis rather than on an indemnification basis

YES  NO

2. Policy contains a proper insolvency clause

YES  NO

3. Policy contains a proper judgment clause, and does not include the requirement that the judgment be "final", or obtained "after actual trial"

YES  NO

4. Policy contains a provision permitting notice of claim to be given to company's agent.

YES  NO

5. Is there a provision that failure to give timely notice shall not invalidate any claim if such notice is given as soon as reasonably possible? [NYIL §3420(a)(4)]

YES  NO

6. Is there a provision that failure to give timely notice shall not invalidate any claim, unless such failure has prejudiced the insurer? [NYIL §3420(a)(5)]

YES  NO

7. Is there a provision that, with respect to all liability claims (except property damage), if the insurer disclaims liability or denies coverage based upon the failure to provide timely notice, the injured person or other claimant may maintain an action directly against the insurer, provided the disclaimer or denial is based on such failure? [NYIL §3420(a)(6)]

YES  NO

**C. Defense Provisions**

1. Policy provides defense even if allegations are groundless, false or fraudulent?

YES  NO

2. Policy provides for the orderly transfer of defense duties when a limit of liability is used up in the payment of judgements or settlements

YES  NO

Policy is written on a defense within limits basis; Does it comply with Regulation 107? (complete DWL checklist)

YES  NO

**D.** If policy includes coverage for personal injury, does it contain, in substance, the items contained in §1113(a)(13)?

YES  NO

**E.** If the policy covers bodily injury, and that definition does not include mental anguish that results from a wrongful act, is some form of rate relief given?

YES  NO

**F.** Does policy language comply with §3426? (complete §3426 checklist)

YES  NO

**NOTE: All citations are to the applicable sections of Regulation Nos. 95, 107, 110, and/or 121 and New York Insurance Law sections 1113, 2307, 3105, 3106, 3420 and/or 3426.**

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**COMMERCIAL LIABILITY INSURANCE FORM FILING COMPLIANCE QUESTIONNAIRE**

PAGE 2 of 3

**COMPANY Aspen American Insurance Company**

**Sub-Type of Insurance Professional Errors and Omissions Liability**

**Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Regulation Nos. 95, 107, 110, and/or 121 and New York Insurance Law Section Nos. 1113, 2307, 3105, 3106, 3420 and/or 3426. Form, page and paragraph references that bring the submission into compliance must be included. Enter "NA" in this column for any item not applicable to the filing being submitted. Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.**

**I. ALL POLICIES (continued)**

- |   |  |                                     |   |
|---|--|-------------------------------------|---|
| <p><b>G.</b> <input checked="" type="checkbox"/> Policy is written on a claims-made basis; Does it comply with Regulation 121? (complete claims-made checklist)</p> | <p>YES <input checked="" type="checkbox"/></p> | <p>NO <input type="checkbox"/></p>  |   |
| <p><b>H.</b> Does the policy contain warranties that violate §3105 or §3106?</p>  |  | <p>YES <input type="checkbox"/></p> | <p>NO <input checked="" type="checkbox"/></p> |
| <p><b>I.</b> If more than one policy issued by the company/affiliate covers the loss, is coverage limited to the policy with the highest limit?</p>                 |  | <p>YES <input type="checkbox"/></p> | <p>NO <input checked="" type="checkbox"/></p> |
| <p><b>J.</b> Does the policy contain a definition of loading or unloading?</p>  |  | <p>YES <input type="checkbox"/></p> | <p>NO <input checked="" type="checkbox"/></p> |
| <p><b>K.</b> Does the policy contain the name of an unlicensed company?</p>   |  | <p>YES <input type="checkbox"/></p> | <p>NO <input checked="" type="checkbox"/></p> |
| <p><b>L.</b> Are there any blank forms?</p>   |  | <p>YES <input type="checkbox"/></p> | <p>NO <input checked="" type="checkbox"/></p> |
| <p><b>M.</b> Are all forms numbered?</p>  | <p>YES <input checked="" type="checkbox"/></p> | <p>NO <input type="checkbox"/></p>  |   |
| <p><b>N.</b> Policy application:</p>  |  | <p>YES <input type="checkbox"/></p> |   |
| <p>    1. Has been filed for approval if part of the policy</p>   | <p>YES <input checked="" type="checkbox"/></p> | <p>NO <input type="checkbox"/></p>  |   |
| <p>    2. Complies with Regulation 95</p>   | <p>YES <input checked="" type="checkbox"/></p> | <p>NO <input type="checkbox"/></p>  |   |
| <p><b>O.</b> If policy contains a tobacco exclusion, is the exclusion limited to the deleterious health effects associated with the use of such products?</p>       | <p>YES <input type="checkbox"/></p>            | <p>NO <input type="checkbox"/></p>  |   |

**II. "LEGAL SERVICES INSURANCE" IN LIABILITY POLICIES**

- A.** Indicate below which, if any, "Legal Services Insurance" coverages are provided (See Department Regulation 162) Unless "None" is checked, complete Legal Services Insurance Checklist
- (i) Defense only coverage for administrative proceedings
  - (ii) Defense coverage for claims seeking injunctive or other non pecuniary relief
  - (iii) Defense of allegations which are excluded
  - (iv) Coverage for insured who initiates legal action
  - (v) Other \_\_\_\_\_ **(Specify)**
  - (vi) None

**III. DIRECTORS AND OFFICERS POLICIES**

In addition to the requirements of I and II above, does the policy contain the minimum retention and coinsurance amounts required by Regulation 110? YES  NO

**IV. EMPLOYEE BENEFITS POLICIES**

In addition to the requirements of I and II above, does the policy contain any coverages which would substantially provide for the giving of legal advice? YES  NO

**NOTE: All citations are to the applicable sections of Regulation Nos. 95, 107, 110, and/or 121 and New York Insurance Law sections 1113, 2307, 3105, 3106, 3420 and/or 3426.**

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**COMMERCIAL LIABILITY INSURANCE FORM FILING COMPLIANCE QUESTIONNAIRE**

PAGE 3 of 3

**COMPANY Aspen American Insurance Company**

**Sub-Type of Insurance Professional Errors and Omissions Liability**

**Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Regulation Nos. 95, 107, 110, and/or 121 and New York Insurance Law Section Nos. 1113, 2307, 3105, 3106, 3420 and/or 3426. Form, page and paragraph references that bring the submission into compliance must be included. Enter "NA" in this column for any item not applicable to the filing being submitted. Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.**

<p><b>V.</b> If the policy is a following form excess liability policy, does it contain language conforming policy to all New York requirements if an unlicensed company is an underlying carrier?</p>	<p>YES <input type="checkbox"/></p>	<p>NO <input type="checkbox"/></p>	
<b>VI. For Umbrella Policies</b>			
<p>1. Insureds consent is required to settle claims within the insured's retention, unless such consent is unreasonably withheld</p>	<p>YES <input type="checkbox"/></p>	<p>NO <input type="checkbox"/></p>	
<p>2. Policy provides coverage for Workers Compensation and Employers Liability where an employee is subject to the NY Workers Compensation Law</p>		<p>YES <input type="checkbox"/></p>	<p>NO <input type="checkbox"/></p>
<b>VII. Employment Practices</b>			
<p>In addition to the requirements of I and II above, coverage is provided only for claims resulting from disparate impact or vicarious liability</p>	<p>YES <input type="checkbox"/></p>	<p>NO <input type="checkbox"/></p>	
<b>VIII.</b> Does the policy contain a pollution exclusion or definition that includes any of the following as a pollutant:			
Lead		<p>YES <input type="checkbox"/></p>	<p>NO <input type="checkbox"/></p>
Noise		<p>YES <input type="checkbox"/></p>	<p>NO <input type="checkbox"/></p>
Electromagnetic Fields		<p>YES <input type="checkbox"/></p>	<p>NO <input type="checkbox"/></p>
<b>IX.</b> If the policy contains a lead exclusion:			
<p>1. Is there a manual rule providing for a premium reduction of between 2% and 10% (1% for BOPS)? Note: For Commercial Umbrella or Excess Liability policies there must be a credit of between 2% and 10% if the underlying coverage does not have a lead exclusion or when the policy premium is not based upon the underlying premium.</p>	<p>YES <input type="checkbox"/></p>	<p>NO <input type="checkbox"/></p>	
<p>2. Is there a manual rule that the exclusion may only be attached to policies insuring structures built prior to 1980 which have a significant potential lead exposure and have not undergone lead abatement procedures?</p>	<p>YES <input type="checkbox"/></p>	<p>NO <input type="checkbox"/></p>	
<b>X. PURCHASING GROUPS</b>			
<p>In addition to compliance with all form and rate requirements, Notice of Intent has been filed with Excess Lines Unit of the Property Bureau.</p>	<p>YES <input type="checkbox"/></p>	<p>NO <input type="checkbox"/></p>	

**NOTE: All citations are to the applicable sections of Regulation Nos. 95, 107, 110, and/or 121 and New York Insurance Law sections 1113, 2307, 3105, 3106, 3420 and/or 3426.**

# NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

## DEFENSE-WITHIN-LIMITS FORM FILING COMPLIANCE QUESTIONNAIRE

PAGE 1 of 2

**COMPANY** Aspen American Insurance Company

**Co. File No.** AAIC-IAB-19

**Company Contact:** Fong Li

**Phone Number:** 212-571-3989

**E-Mail Address:** fongli@ircllc.com

**TYPE OF INSURANCE** Professional Liability

(for Pollution Insurance for Owners/Operators of Underground Storage Tanks, complete page 2)

AMOUNT OF OFFSET	100% <input checked="" type="checkbox"/>		Offset Against	Limits only	<input type="checkbox"/>
	50% <input type="checkbox"/>			Deductible Only	<input type="checkbox"/>
	Other <input type="checkbox"/>	% _____		Both	<input checked="" type="checkbox"/>
(Specify)					

**Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Regulation No. 107. Form, page and paragraph references that bring the submission into compliance must be included. Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.**

**I. ALL POLICIES**

- |   |   |   |  |
|---|---|---|--|
| A. Minimum Limit of \$ <u>100,000</u> complies with [§71.3(d)]  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/>             |  |
| B. Face of policy contains a conspicuous notice that the policy is written on a "defense-within-limits" basis [§71.5(a)]                        | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/>             |  |
| C. Face of application contains a conspicuous notice that the policy is written on a "defense-within-limits basis" [§71.5(a)]                   | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/>             |  |
| D. 1. Policy contains insured's acknowledgement (check all that apply) [§71.5(b)(1) – (3)]  |   |   |  |
| <input checked="" type="checkbox"/> the limits can be reduced by defense expenses   | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/>             |  |
| <input checked="" type="checkbox"/> the limits can be exhausted by defense expenses   | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/>             |  |
| <input checked="" type="checkbox"/> the deductible can be reduced or exhausted by defense expenses  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/>             |  |
| or  |   |   |  |
| D. 2. The notice on the face of the policy and application contains the information required by §71.5(d)  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/>             |  |
| E. Unless this policy provides coverage for owners or operators of underground storage units, does the policy contain a separate defense limit? |   | YES <input checked="" type="checkbox"/> | NO <input checked="" type="checkbox"/> |

**II. POLICIES CONTAINING 100% OFFSETS**

Policy provides that insured can:

- |  |   |                             |  |
|--|---|-----------------------------|--|
| 1. Select defense attorney or consent to insurer's choice [§71.3(c)(1)]                  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |  |
| 2. Participate in the defense [§71.3(c)(2)]  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |  |
| 3. Consent to the settlement, such consent not to be unreasonably withheld [§71.3(c)(3)] | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |  |

**III. POLICIES CONTAINING LEGAL SERVICES INSURANCE**

No more than 25% of the policy's per claim or aggregate limit can be reduced by payment of legal services insurance [§71.3(f)]

YES  NO

**NOTE: All sections cited are to the applicable sections of Regulation No. 107**

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

**DEFENSE-WITHIN-LIMITS FORM FILING COMPLIANCE QUESTIONNAIRE**

**PAGE 2 OF 2**

**COMPANY** Aspen American Insurance Company

**Co. File No.** AAIC-IAB-19

**TYPE OF INSURANCE** Professional Liability

**Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Regulation No. 107. Form, page and paragraph references that bring the submission into compliance must be included. Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.**

**IV. POLICIES CONTAINING A SEPARATE DEFENSE LIMIT FOR POLLUTION LIABILITY FOR OWNERS/OPERATORS OF UNDERGROUND STORAGE TANKS (USTs)**

- |   |   |
|---|---|
| <p>A. Will policy be issued to an insured who is an owner or operator of USTs in order to satisfy EPA financial responsibility requirements? [§71.4(b)]</p>   | <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>   |
| <p>B. Does the per claim limit meet the minimum limit requirement? [§71.4(c)(1)]</p>  | <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>   |
| <p>C. Does the annual aggregate limit, if any, meet the minimum limit requirement? [§71.4(c)(1)]</p>  | <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>   |
| <p>D. Do legal defense costs reduce the per claim or annual aggregate limit? [§71.4(c)(2)]</p>  | <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>   |
| <p>E. Does the separate defense limit comply with §71.4(c)(3)?</p>  | <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>   |
| <p>F. Check the one that applies and answer accordingly:<br/>                 1. <input type="checkbox"/> Policy contains insured's acknowledgment that a separate defense limit applies to defense expenses? [§71.5(b)(4)]</p> <p align="center">or</p> <p>2. <input type="checkbox"/> The notice on the face of the policy and application contains the information required by §71.5(d)?</p> | <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> |
| <p>G. If the policy provides Legal Services Insurance, no more than 25% of the defense limit can be reduced by payments for such coverage [§71.4(d)]</p>  | <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>   |

**NOTE: All sections cited are to the applicable sections of Regulation No. 107**



Aspen American Insurance Company  
Agents and Brokers Professional Liability Program

## **FILING MEMORANDUM**

Aspen American Insurance Company is proposing its new Professional Liability coverage for Insurance Agents and Brokers for your consideration.

Please refer to the attached forms listing and rating manual for information about the new program forms, rates and rules, respectively, included in this submission.

### Expenses

Since this is a new program for Aspen, our selected expenses were estimated based on Aspen data for its existing 17.2 lines as well as a review of competitor agents and brokers professional liability company filings. Below is a summary of expenses.

**Commission:** Our commissions for this program is expected to be 25%.

**General Expense:** Our General Expense contains our overhead such as data processing system license fees, underwriting staff, and training expense. To cover these expenses we've selected 2.8%.

**Other Acquisition Expense:** Historically other acquisition expenses for Line 17.2 has run about 6% of premium. Since this product will be written on a program basis, we are estimating over 50% savings on this expense. As such, we have selected 2.8%.

**Taxes:** The tax percentage that was chosen is 2.8%. This is an average across all states. Individual state percentages vary.

**Underwriting Profit:** The underwriting profit figure of 3.0% is based on a notional 5% target profit, with an investment income offset of 2%.

AAIC respectfully requests that the proposed filing be approved at the earliest date of acknowledgement or approval.



July 9, 2020

Submitted via SERFF # REGU-132469567

Anastasiya Savenkova  
New York State Dept. of Financial Services  
One State Street  
New York, NY 10004  
Property and Casualty Insurance Bureau

Please be advised that Insurance Regulatory Consultants (IRC) has been appointed to submit this filing on behalf of **Aspen American Insurance Company**. A copy of this authorization is attached to this filing.

**Re: Aspen American Insurance Company**  
**NAIC #: 4698-43460; FEIN#: 75-2344200**  
**Insurance Agents and Brokers Professional Liability Program Filing**  
**TOI: 17.2 Other Liability – Claims Made Only**  
**Sub-TOI: 17.2019 - Professional Errors and Omissions Liability**  
**Company Filing Designation Number: AAIC-IAB-18**  
**Effective Date: Upon Approval**  
**State of New York**

Dear Ms. Savenkova:

This submission is in response to your June 18<sup>th</sup> objection letter under state tracking # R2020001155. We've reviewed your objections and have the following response:

Please note that the only outstanding issue on this filing is related to rule J. Coverage Enhancements/Restrictions. Our actuary reviewed company's various responses regarding this rule, as it was also questioned in previous submissions of this program.

Our actuary has opined that the proposed rule appears to utilize endorsements to address various degrees of characteristics inherent in such an endorsement (for example, with respect to Amended Professional Services it appears that the company is trying to address how much of professional services are being utilized and in company's explanation it was stated that "an insured who sticks to a narrower band of professional services presents less of an exposure". Similar reasoning is being utilized to other similarly rated endorsements). According to our actuary, what the company is trying to do is really what a schedule rating plan should accomplish and therefore it is doubtful that any of these endorsements in question would generate a \$2500 basic limits premium threshold requirement outlined in Department Regulation 129.

It is suggested that the company assign either a debit or a credit (only one) to reflect the broadening or restrictions associated with using the endorsement. And as far as the various degrees of characteristics that the company is trying to distinguish and rate, those can be included into the existing schedule rating plan.

Since this is an issue that was brought up repeatedly our actuary advised that the above suggested solution would resolve the above issue, as it stands rule J is not acceptable without revision.



**Response:**

The New York manual exception page has been updated to revise Rule J.

The revision is based on review of an approved competitor filing, R2012004601.

We would like to make the following clarifications with this submission:

1. Table J modifies premiums based on specific changes in coverage
2. Schedule rating modifies premium based on overall program.

Please contact me if you have any questions. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fong Li', is written over a faint, light-colored signature line.

Fong Li  
Insurance Regulatory Consultants, LLC  
(212) 571-3989 (phone); (212) 571-2502 (fax) [FongLi@ircllc.com](mailto:FongLi@ircllc.com) (e-mail)



**Aspen American Insurance Company**  
**Insurance Agents & Brokers Professional Liability Insurance Program**  
**Exhibit CMP-1,2, 3**

Aspen American Insurance Company (Aspen) proposed rates for this program is based upon the Liberty Insurance Underwriters (Liberty) countrywide rate manual for their Insurance Agents and Brokers Professional Liability product. While Liberty did not file this program in New York, Liberty filed this program with the proposed rates on a countrywide basis. Aspen would like to introduce/offer this program in New York and believes the proposed rates are sufficient and non-excessive. For your convenience we have provided a side-by-side comparison (Exhibit CMP-2) between our proposed countrywide rate manual and the Liberty countrywide rate manual.

**Aspen American Insurance Company**  
**Insurance Agents Brokers Professional Liability Insurance Program**  
**Competitor Side by Side Exhibit (Aspen's Proposed Rates Factors vs. Liberty's Multistate Rates Factors)**

Base Rates						
Gross Revenue	Hazard Group I		Hazard Group II		Hazard Group III	
	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen
<b>First \$100</b>	\$700 flat charge	\$700 flat charge	\$1,400 flat charge	\$1,400 flat charge	\$2,250 flat charge	\$2,250 flat charge
<b>Next \$150</b>	6.00	6.00	12.30	12.30	18.50	18.50
<b>Next \$250</b>	3.30	3.30	6.75	6.75	10.15	10.15
<b>Next \$500</b>	2.95	2.95	6.10	6.10	9.15	9.15
<b>Next \$500</b>	2.60	2.60	5.40	5.40	8.10	8.10
<b>Next \$500</b>	2.30	2.30	4.75	4.75	7.15	7.15
<b>Next \$1,000</b>	2.00	2.00	4.15	4.15	6.20	6.20
<b>Next \$2,000</b>	1.70	1.70	3.55	3.55	5.30	5.30
<b>Next \$ 5,000</b>	1.45	1.45	3.05	3.05	4.50	4.50
<b>Next \$ 5,000</b>	1.20	1.20	2.50	2.50	3.75	3.75
<b>Next \$10,000</b>	1.00	1.00	2.00	2.00	3.00	3.00
<b>Excess of \$25,000</b>	0.75	0.75	1.50	1.50	2.25	2.25

Prior Acts Factor		
Years	Liberty	Aspen
<b>0</b>	0.85	0.85
<b>1 to 2</b>	0.90	0.90
<b>3 to 4</b>	0.95	0.95
<b>5 or more</b>	1.00	1.00

Deductible Credit Factors				
Deductible	Applies to Defense Costs		Does not Apply to Defense Costs	
	Liberty	Aspen	Liberty	Aspen
\$0	1.20	1.20	1.20	1.20
1,000	1.10	1.10	1.15	1.15
2,500	1.00	1.00	1.10	1.10
5,000	0.90	0.90	1.00	1.00
7,500	N/A	0.85	N/A	0.94
10,000	0.82	0.82	0.90	0.90
15,000	N/A	0.79	N/A	0.86
20,000	N/A	0.77	N/A	0.82
25,000	0.75	0.75	0.80	0.80
35,000	N/A	0.71	N/A	0.76
50,000	0.67	0.67	0.72	0.72
75,000	N/A	0.63	N/A	0.68
100,000	0.60	0.60	0.65	0.65
150,000	N/A	0.57	N/A	0.62

**Aspen American Insurance Company**  
**Insurance Agents Brokers Professional Liability Insurance Program**  
**Competitor Side by Side Exhibit (Aspen's Proposed Rates Factors vs. Liberty's Multistate Rates Factors)**

Defense Costs Inside/Outside The Limits Of Liability		
Options	Liberty	Aspen
Defense costs included within policy limits	1.000	1.000
Defense costs in addition while limits are below \$1M	1.250	1.250
Defense costs in addition while limits are \$1M or higher	1.125	1.125

Severity Factors								
Litigiousness of Area of Operation								
Severity Potential	Low		Medium		High		Severe	
	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen
Low	0.80	0.80	0.90	0.90	1.00	1.00	1.10	1.10
Average	0.90	0.90	1.00	1.00	1.10	1.10	1.20	1.20
High	1.05	1.05	1.15	1.15	1.25	1.25	1.35	1.35

Organizational Stability								
Stability								
Maturity	Low		Medium		High		Severe	
	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen
0 – 3 years	1.05	1.05	1.15	1.15	1.25	1.25	1.35	1.35
3 – 5 years	0.95	0.95	1.05	1.05	1.15	1.15	1.25	1.25
5+ years	0.90	0.90	1.00	1.00	1.10	1.10	1.20	1.20

Prior Litigation Experience				
Prior Claims	Likely to Repeat		Unlikely to Repeat	
	Liberty	Aspen	Liberty	Aspen
Significant	1.850	1.850	1.600	1.600
Material	1.500	1.500	1.250	1.250
Minimal	1.200	1.200	1.100	1.100
None	1.000	1.000	1.000	1.000

Coverage Enhancements/Restrictions				
Endorsement Description	Debit		Credit	
	Liberty	Aspen	Liberty	Aspen
Add Independent Contractors	10%(Not Exclusive)	10%(Not Exclusive)	0% (Exclusive)	0% (Exclusive)
Amend Insolvency Exclusion	10%(Expanded )	10%(Expanded )	10%(Restrictive)	10%(Restrictive)
Delete Reinsurance Exclusion	10%	10%	---	---
Aggregate Deductible	5%	5%	---	---
Amended Professional Services	10%(Expanded)	10%(Expanded)	10% (Restrictive)	10% (Restrictive)
Amended PEO Placement Services	10%	10%	---	---
Choice of Defense Endorsement	10%	10%	---	---
Amended Settlement Endorsement	10%(Expanded)	10%(Expanded)	10% (Restrictive)	10% (Restrictive)

**Aspen American Insurance Company**  
**Insurance Agents Brokers Professional Liability Insurance Program**  
**Competitor Side by Side Exhibit (Aspen's Proposed Rates Factors vs. Liberty's Multistate Rates Factors)**

Increased Limits Factor (per 000)														
Limit Per Claim	Aggregate Limit													
	100		250		300		500		1,000		2,000		3,000	
	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen
100	0.500	0.500	0.555	0.555	0.570	0.570	0.620	0.620	0.700	0.700	0.850	0.850	0.950	0.950
250			0.590	0.590	0.610	0.610	0.690	0.690	0.850	0.850	0.975	0.975	1.075	1.075
300					0.620	0.620	0.700	0.700	0.866	0.866	1.000	1.000	1.100	1.100
500							0.740	0.740	0.930	0.930	1.100	1.100	1.200	1.200
1,000									1.000	1.000	1.200	1.200	1.350	1.350
2,000											1.400	1.400	1.525	1.525
3,000													1.700	1.700

Increased Limits Factor (per 000)														
Limit Per Claim	Aggregate Limit													
	4,000		5,000		6,000		7,000		8,000		9,000		10,000	
	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen	Liberty	Aspen
100	1.050	1.050	1.100	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
250	1.160	1.160	1.240	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
300	1.190	1.190	1.280	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
500	1.300	1.300	1.350	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1,000	1.475	1.475	1.525	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2,000	1.650	1.650	1.775	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3,000	1.800	1.800	1.900	1.980	1.980	1.980	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4,000	1.950	1.950	2.025	2.100	2.100	2.100	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5,000			2.150	2.220	2.220	2.220	2.240	2.240	N/A	N/A	N/A	N/A	N/A	N/A
6,000				2.340	2.340	2.340	2.450	2.450	N/A	N/A	N/A	N/A	N/A	N/A
7,000							2.490	2.490	N/A	N/A	N/A	N/A	N/A	N/A
8,000									2.610	2.610	N/A	N/A	N/A	N/A
9,000											2.710	2.710	N/A	N/A
10,000													2.800	2.800

**ASPEN AMERICAN INSURANCE COMPANY  
INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY PROGRAM  
STATE PAGES**

**New York**

A. Rule II. Calculation of Premium, Section C. is deleted and replaced by the following:

C. Increased Limits Factors (per 000)

Aggregate Limit	100	250	300	500	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000
Per Claim Limit														
100	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
250		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
300			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
500				0.740	0.930	1.100	1.200	1.300	1.350	N/A	N/A	N/A	N/A	N/A
1,000					1.000	1.200	1.350	1.475	1.525	N/A	N/A	N/A	N/A	N/A
2,000						1.400	1.525	1.650	1.775	N/A	N/A	N/A	N/A	N/A
3,000							1.700	1.800	1.900	1.980	N/A	N/A	N/A	N/A
4,000								1.950	2.025	2.100	N/A	N/A	N/A	N/A
5,000									2.150	2.220	2.240	N/A	N/A	N/A
6,000										2.340	2.450	N/A	N/A	N/A
7,000											2.490	N/A	N/A	N/A
8,000												2.610	N/A	N/A
9,000													2.710	N/A
10,000														2.800

The Increased Limits Factors above apply to policies that provide defense costs within the limits of liability.

B. Rule II. Calculation of Premium, Section I. is deleted and replaced by the following:

I. Modifications

Apply one or more of the following. The Maximum credit or debit permitted is 15%.

- |  | <u>Max Debit/Credit</u> |
|--|-------------------------|
| * Management experience level<br><i>(i.e. Normal = 5 to 10 years running an Insurance Agency with no claims; More than 10 years, experience would receive a credit; Less than 5 years would receive a debit)</i>   | +/- 10%                 |
| * Financial strength<br><i>(i.e. Normal = consistent revenue (gross commissions &amp; income) of \$1,000,000 or more for 3 to 5 years for an existing organization; consistent revenues of \$1,000,000 or more for than 5 years for an existing organization would receive a credit; less than \$1,000,000 revenues would receive a debit;</i> | +/- 10%                 |

- Inconsistent revenues deviating +/- 25% for any size agency from one year to next, except for mergers/acquisitions/sales would receive a debit)*
- \* Organizational structure (centralized/decentralized) +/- 10%  
*(An agency that has numerous locations that adhere to one common set of policies/procedures/guidelines would receive a credit. An agency that has numerous locations that do not adhere to one common set of policies/procedures/guidelines would receive a debit)*
  - \* Education/professional associations +/- 10%  
*(An agency which participates in a professional association, or an agency which participates in annual education / risk management classes would receive a credit. An agency which does not participate in a professional association, or an agency which does not participate in annual education / risk management classes would receive a debit.)*
  - \* Utilization of adequate procedures manual/data systems (i.e. +/- 10%  
*Normal is all mail date stamped, renewal lists maintained, systems are backed up daily & off site, etc - refer to application, any deviation from these procedures will trigger a debit)*
  - \* Internal loss prevention +/- 10%  
*(i.e. litigation history and actions taken to prevent future incidents)*
  - \* Unusual agent to revenue relationship +/- 10%  
*(An agency that is properly staffed (i.e. commission amounts appear consistent with head count) would receive a credit. An agency that is understaffed (i.e. high commissions but low head count) would receive a debit.)*
  - \* Quality of companies represented +/- 10%  
*(An agency that has appointments with financially stable carriers with ratings such as B+ by A.M. best ratings or A or better rated by Demotech would receive a credit. An agency that does not have appointments with financially stable carriers with ratings such as B+ by A.M. best ratings or A or better rated by Demotech would receive a debit)*
  - \* Degree of specialization +/- 10%  
*(Refer to application, the more diverse the products placed will trigger a debit; specialization in high exposure product placements, e.g. Bonds, Aviation, Professional Liability Medical Malpractice, Petroleum Exploration/Mining, Reinsurance if not placed by experienced agents or with in frequency will trigger a debit; specialization in high exposure product placements by experienced agents and with frequency will trigger a credit)*

The maximum aggregate debit/credit for modifications shall not exceed that which is shown in the table below:

-15/+15	-25/+25			-40/+25	-40/+40		-50/+40	-50/+50	NA <sup>1</sup>
NY	AK	IA	NM	SC	AR	NH	GA	IL	HI
	AL	ID	NV		KS	OK		IN	NE
	AZ	LA	OH		MD	PA		KY	
	CA	MA	OR		ME	RI		NC	
	CO	MI	PR		MN	TX		TN	
	CT	MO	SD		MS	WV		VA	
	DC	ND	UT		MT			VT	
	DE	NJ	WA					WI	
	FL							WY	

<sup>1</sup> NA = Schedule Rating is not available

New York only: A basic limits premium of \$2,500 is necessary for schedule rating to apply.

C. Rule II. Calculation of Premium, Section J. is deleted and replaced by the following:

J. Coverage Enhancements/Restrictions

Apply the appropriate factors based upon endorsements attached to the policy. If multiple factors apply they are to be added together to derive one net factor.

<u>Endorsement Description</u>	<u>Debit</u>	<u>Credit</u>
<del>Add Independent Contractors</del>	<del>40%(Not Exclusive)</del>	<del>0% (Exclusive)</del>
<del>Amend Insolvency Exclusion</del>	<del>40%(Expanded)</del>	<del>40%(Restrictive)</del>
<del>Delete Reinsurance Exclusion</del>	<del>40%</del>	<del>---</del>
<del>Aggregate Deductible</del>	<del>5%</del>	<del>---</del>
<del>Amended Professional Services (restricted to risk management or loss control services such as MVR orders, contracted safety education and similar services)</del>	<del>40%(Expanded)</del>	<del>40% (Restrictive)</del>
<del>Amended PEO Placement Services</del>	<del>40%</del>	<del>---</del>
<del>Choice of Defense Endorsement</del>	<del>40%</del>	<del>---</del>
<del>Amended Settlement Endorsement</del>	<del>40%(Expanded)</del>	<del>40% (Restrictive)</del>

<u>Enhancement Endorsements</u>	<u>Debit</u>
<u>Add Independent contractors (not restricted to exclusive)</u>	<u>10%</u>
<u>Amend (expanded) Insolvency Exclusion</u>	<u>10%</u>
<u>Delete Reinsurance Exclusion</u>	<u>10%</u>
<u>Aggregate Deductible</u>	<u>5%</u>
<u>Amend (expand) Professional Services (restricted to risk management or loss control services such as MVR orders, contracted safety education and similar services)</u>	<u>10%</u>
<u>Amend PEO placement Services</u>	<u>10%</u>

<u>Choice of Defense Endorsement</u>		<u>10%</u>
<u>Amended Settlement Endorsement (expansion)</u>		<u>10%</u>

<u>Restriction Endorsements</u>		<u>Credit Factor</u>
<u>Add Independent contractors (restricted to exclusive)</u>		<u>No adjustment</u>
<u>Amend (restriction) Insolvency Exclusion</u>		<u>-10%</u>
<u>Amend (restrict) Professional Services (restricted to risk management or loss control services such as MVR orders, contracted safety education and similar services)</u>		<u>-10%</u>
<u>Amended Settlement Endorsement (restriction)</u>		<u>-10%</u>

### **Coverage Enhancements or Restrictions**

After review of the exposures presented, apply the appropriate factors below based upon the listed endorsements when attached to the policy. If multiple endorsements apply, their factors are to be added together to derive one net factor. Each endorsements can receive only a Debit OR a Credit factor, NOT both. Assignment details should be retained in file. These are not considered as part of any schedule rating plan applicable to the entire policy.



**Aspen American Insurance Company**  
**BRP - Insurance Agents & Brokers Professional Liability Program**  
**Exhibit RF-3**

Projected Expense Ratios  
(\$000)

		2014		2015		2016		3 Year Total/Average			Selected
		\$	%	\$	%	\$	%	\$	Avg. %	W Avg. %	%
(1)	Premiums Written	\$45,886	-	\$59,877	-	\$63,004	-	\$168,767	-	-	-
(2)	Premiums Earned	\$38,252	-	\$54,946	-	\$62,253	-	\$155,451	-	-	-
(3)	Commission	\$8,008	17.5%	\$11,259	18.8%	\$12,225	19.4%	\$31,492	18.7%	18.7%	25.0%
(4)	Other Acquisition	\$2,356	6.2%	\$3,030	5.5%	\$3,269	5.3%	\$8,655	5.6%	5.6%	2.8%
(5)	General Expenses	\$2,957	7.7%	\$3,707	6.7%	\$3,819	6.1%	\$10,483	6.7%	6.8%	2.8%
(6)	Taxes, Licenses, Fees	\$1,340	2.9%	\$1,601	2.7%	\$1,794	2.8%	\$4,735	2.8%	2.8%	2.8%
(7)	Total Expenses = (3) + (4) + (5) + (6)		34.3%		33.7%		33.6%		33.8%	33.9%	33.4%
(8)	Profit Load										3.0%
(9)	Total Expenses & Profit = (7) + (8)										36.4%
(10)	Permissible Loss & LAE Ratio = 100% - (9)										63.6%

**Notes:**

- (1) from Company 2016, 2015, 2014 IEEs, Part III, Column 1, Line(s) 17.2.
- (2) from Company 2016, 2015, 2014 IEEs, Part III, Column 3, Line(s) 17.2.
- (3) from Company 2016, 2015, 2014 IEEs, Part III, Column 23, Line(s) 17.2.
- (4) from Company 2016, 2015, 2014 IEEs, Part III, Column 27, Line(s) 17.2.
- (5) from Company 2016, 2015, 2014 IEEs, Part III, Column 29, Line(s) 17.2.
- (6) from Company 2016, 2015, 2014 IEEs, Part III, Column 25, Line(s) 17.2.
- (3) and (6) shown as a percent of (1).

**Aspen American Insurance Company**  
**BRP - Insurance Agents & Brokers Professional Liability Program**  
**EXHIBIT RF-4**

Projected After-Tax Operating Ratio

Operating Return

(1)	Earned Premium	100.0%
(2)	Expected Loss & Loss Adjustment Expenses (Exhibit R3)	63.6%
(3)	Commission & Brokerage Fees (Exhibit R3)	25.0%
(4)	General & Other Acquisition Expenses (Exhibit R3)	5.6%
(5)	Taxes, Licenses & Fees (Exhibit R3)	2.8%
(6)	Underwriting Profit Before Federal Income Tax = (1) - (2) - (3) - (4) - (5)	3.0%
(7)	Federal Income Tax on Underwriting Profit = (6) x <b>21%</b>	0.6%
(8)	Underwriting Profit After Federal Income Tax = (6) - (7)	2.4%
(9)	After-Tax Inv. Income on Policyholder Supplied Funds (Exhibit R2.1)	2.1%
(10)	After-Tax Return from Insurance Operations = (8) + (9)	4.5%

**Aspen American Insurance Company**  
**BRP - Insurance Agents & Brokers Professional Liability Program**  
**EXHIBIT RF-4**

Estimated Investment Earnings on Policyholder Supplied Funds  
(\$000)

(A)	Earned Premium	\$100,000
(B)	Unearned Premium Reserve	
	(1) Average Unearned Premium Reserve	\$50,000
	(2) Percentage Pre-Paid Expense	30.6%
	(a) Commission & Brokerage Fees (Exhibit R3)	25.0%
	(b) 50% of General & Other Acq. Expenses (Exhibit R3)	2.8%
	(c) Taxes, Licenses & Fees (Exhibit R3)	2.8%
	(3) Deduction for Federal Income Taxes Payable	4.2%
	(4) Total Prepaid Expense = (B).(1) x [(B).(2) + (B).(3)]	\$17,400
	(5) Portion Subject to Investment Income = (B).(1) - (B).(4)	\$32,600
(C)	Delayed Remission of Premiums	
	(1) Average Agents' Balance as % of Premium	17.8%
	(2) Total Delayed Remission = (A) x (C).(1)	\$17,800
(D)	Loss & LAE Reserve	
	(1) Expected Loss & LAE Ratio (Exhibit R3)	63.6%

(2) Expected Losses & LAE = (A) x (D).(1)	\$63,600
(3) Reserve to Incurred Ratio	189.4%
(4) Expected Loss & LAE Reserves = (D).(2) x (D).(3)	\$120,458
(E) Policyholder Funds Subject to Investment Income = (B).(5) - (C).(2) + (D).(4)	\$170,858
(F) 2016 After Tax Rate of Return	1.20%
(G) Investment Earnings on Policyholder Supplied Funds = (E) x (F)	\$2,050
(H) After-Tax Investment Income on Policyholder Supplied Funds = (G) / (A)	2.05%

**Aspen American Insurance Company**  
**BRP - Insurance Agents & Brokers Professional Liability Program**  
**EXHIBIT RF-4**

Source Notes for Exhibit R2.1  
(\$000)

<u>Line</u>		
(A)	Earned Premium	\$100,000
(B).(1)	Selected Average Unearned Premium Reserve = 50.0% of (A)	\$50,000
(B).(3)	The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. At a corporate rate of 21%, this tax equals 4.2% (=20% x 21%).	4.2%
(C).(1)	Selected Agents' Balances = (3)	17.8%
	(1) Calendar Year 2016 Agents' Balances 2016 Company IEE, Part III, Column 22, Line(s) 17.2	17.2%
	(2) Calendar Year 2015 Agents' Balances 2015 Company IEE, Part III, Column 22, Line(s) 17.2	18.3%
	(3) Indicated Agents' Balances = [(1) + (2)] / 2	17.8%
(D).(3)	Selected Reserve to Incurred ratio = (5)	0.0%
	(1) Calendar Year 2016 Unpaid Loss & LAE 2016 Company IEE, Part III, Columns 13, 15, 17, Line(s) 17.2	\$98,598
	(2) Calendar Year 2015 Unpaid Loss & LAE 2015 Company IEE, Part III, Columns 13, 15, 17, Line(s) 17.2	\$82,096
	(3) Average Unpaid Loss & LAE = [(1) + (2)] / 2	\$90,347
	(4) Calendar Year 2016 Incurred Loss & LAE 2016 Company IEE, Part III, Columns 7, 9, 11, Line(s) 17.2	\$47,697
	(5) Indicated Reserve to Incurred Ratio = (3) / (4)	189.4%

**Aspen American Insurance Company**  
**BRP - Insurance Agents & Brokers Professional Liability Program**  
**EXHIBIT RF-4**

Source Notes for Exhibit R2.1 (Continued)

Line (F)	(\$000)				
	(1)	(2)	(3) = 100% - (2)	(4) = (1) x (3)	
	2016			2016	
Investment Category	Inv. Income Earned	Tax Rate	After-Tax Portion	After-Tax Inv. Income	
Taxable Bonds	\$564,554	21.0%	79.0%	\$445,998	
Non-Taxable Bonds	\$5,596,752	5.3%	94.7%	\$5,300,124	
Preferred Stocks	\$0	14.2%	85.8%	\$0	
Common Stocks	\$0	14.2%	85.8%	\$0	
Common Stocks in Affiliates	\$0	14.2%	85.8%	\$0	
Cash	\$6,656	21.0%	79.0%	\$5,258	
All Other Investments	\$30,091	21.0%	79.0%	\$23,772	
(5) Total	\$6,198,053			\$5,775,152	
2016 Company Annual Statement, Page 12 - Exhibit of Net Investment Income, Lines 1 to 10, Column 2					
(6) Total Investment Expense				\$66,860	
2016 Company Annual Statement, Page 12 - Exhibit of Net Investment Income, Line 16					
(7) Net Inv. Income Earned = (5) - (6)				\$5,708,292	
(8) Invested Assets as of 12/31/2016				\$537,891,029	
2016 Company Annual Statement, Page 2, Line 12, Column 3					
(9) Invested Assets as of 12/31/2015				\$421,975,227	
2015 Company Annual Statement, Page 2, Line 12, Column 3					
(10) Average Invested Assets = [(8) + (9)] / 2				\$479,933,128	
(11) After-Tax Rate of Return on Invested Assets = (7) / (10)				1.2%	
	(12)	(13)	(14) =[(12)+(13)]/2	(15)	
	Calendar Year	Beginning Invested Assets	Ending Invested Assets	Average Invested Assets	Net Realized Capital Gains
	2014	\$390,040,391	\$428,988,285	\$409,514,338	\$11,192
	2015	\$428,988,285	\$421,975,227	\$425,481,756	\$2,114
	2016	\$421,975,227	\$537,891,029	\$479,933,128	\$57,799
	Total	\$1,241,003,903	\$1,388,854,541	\$1,314,929,222	\$71,105
(16) Net Realized Capital Gains Ratio = (15) / (14)					0.0%
(17) Tax Rate on Capital Gains					15.0%
(18) After-Tax Realized Capital Gains = (16) x [100% - (17)]					0.0%
(19) Indicated After-Tax Total Rate of Return = (11) + (18)					1.2%
(20) Selected After-Tax Total Rate of Return					1.2%

**Notes:**

(12) from 2016, 2015, 2014 Company Annual Statements, Page 2, Line 12, Column 4

(13) from 2016, 2015, 2014 Company Annual Statements, Page 2, Line 12 (10 in 2013), Column 3

(15) from 2016, 2015, 2014 Company Annual Statements, Page 12 - Exhibit of Capital Gains (Losses), Line 10, Column 3

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

LINE OF BUSINESS: Other Liability

LINE(S) OF INSURANCE

CODES

CODE: 17.0000

Professional E & O

17.0019

IF CHECKLIST IS NOT APPLICABLE, PLEASE EXPLAIN:

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
<b>GENERAL REQUIREMENTS FOR ALL FILINGS</b>		The <a href="#">following web site</a> represents the Department's initiative to streamline the procedures for form, rate and rule filings: <a href="http://www.dfs.ny.gov/insurance/is-file.htm">http://www.dfs.ny.gov/insurance/is-file.htm</a>	Form/Page/Para Reference
COVER LETTER AND EXPLANATORY MEMORANDUM	<a href="#">CL 11 (1998)</a>	The filing should include a cover letter, and an explanatory memorandum clearly explaining the intent of the filing, and highlighting any substantive changes (such as changes in ratemaking methodology or major coverages provided). If new form(s), territories, classification(s), or rule(s) are being filed and there are similar ones currently approved for use by a Rate Service Organization (RSO) or another insurer, or has been the subject of a filing previously not approved in New York, reference should be provided to the Department's file number or SERFF tracking number and effective date of the approval, or copies of the approved items should be included, if applicable. If the filing is currently in use in another state, this should be indicated.	Attached
EXCLUSIONS & LIMITATIONS		The <a href="#">following web site</a> contains additional information on exclusions and prohibited coverages: <a href="http://www.dfs.ny.gov/insurance/issec-v.htm">http://www.dfs.ny.gov/insurance/issec-v.htm</a>	In Compliance
Lead	<a href="#">§2307(b)</a>	May only exclude structures built prior to 1980 which have a significant potential lead exposure and have not undergone lead abatement procedures. A premium reduction of between 2% and 10% should be contemplated whenever the exclusion is attached to a policy. Please refer to Item IX of Compliance Questionnaire No. CLL.	In Compliance
Mold	<a href="#">§2307(b)</a>		In Compliance
Pollution	<a href="#">§2307(b)</a>	Please refer to Item VIII of Compliance Questionnaire No. CLL.	In Compliance
Terrorism	<a href="#">CL 25 (2002)</a>	The <a href="#">following web site</a> contains additional information: <a href="http://www.dfs.ny.gov/insurance/circltr/2002/cl02_25.htm">http://www.dfs.ny.gov/insurance/circltr/2002/cl02_25.htm</a>	In Compliance
Tobacco	<a href="#">§2307(b)</a>	Such exclusion should be limited to the deleterious health effects associated with the use of such products only. Please refer to Item I.O of Compliance Questionnaire No. CLL.	In Compliance
FILING SUBMISSION	<a href="#">§2305 &amp; §2307 CL 19 (1992) Supplement No 1 to CL 11(1998)</a>	Forms, territories, classifications, rating rules, rates and rating plans are subject to prior approval.	In Compliance

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
Compliance Questionnaires, Forms and Optional "Speed to Market" Filing Procedures	<a href="#">CL 11 (1998) Supplement No 3 to CL 11(1998)</a>	Please refer to the <a href="http://www.dfs.ny.gov/insurance/issec-iv.htm">following web site</a> for additional information: <a href="http://www.dfs.ny.gov/insurance/issec-iv.htm">http://www.dfs.ny.gov/insurance/issec-iv.htm</a>	N/A
NO FILE OR FILING EXEMPTIONS	<a href="#">Article 63 11NYCRR16 (Reg. 86)</a>	An authorized insurer must obtain a "Special Risk License" prior to writing business in the "Free Trade Zone". Such business shall be limited to a Special Risk defined as either a Class 1 risk, Class 2 risk as enumerated in the list contained in Regulation 86, <b>or a Class 3 risk</b> . Although filing is not required for a Class 1 risk or a Class 2 risk, rates and policy forms applied to special risks must still satisfy governing standards set forth in the Insurance Law and regulations. <b>If it is a class 3 risk then certain filings need to be made. The certificate of insurance and certification and checklist form need to be filed together within 30 days and all forms used which have not previously been filed must be filed for information within three days of delivery to the policyholder.</b>	N/A
PROHIBITED COVERAGES		While the Department does not have an exhaustive list, some examples of prohibited coverages include punitive damages and corporal punishment. Please refer to the <a href="#">following web site</a> for additional information: <a href="http://www.dfs.ny.gov/insurance/issec-v.htm">http://www.dfs.ny.gov/insurance/issec-v.htm</a>	In Compliance
Assault and Battery	<a href="#">§2307(b)</a>	Coverage for Assault and Battery is prohibited except for defense of person or property. Please refer to Item I.A.1.c of Compliance Questionnaire No. CLL.	In Compliance
Discrimination	<a href="#">CL 6 (1994)</a>	Coverage for discrimination may only be provided on vicarious basis or for disparate impact.	In Compliance
Indemnification Policy	<a href="#">§3420</a>	Is not permitted. Liability coverage must be provided on a pay on behalf basis. Please refer to Item I.B.1 of Compliance Questionnaire No. CLL.	In Compliance
Intentional Acts	<a href="#">§2307(b)</a>	May only be provided on vicarious basis or for disparate impact. Please refer to Item I.A.1.b of Compliance Questionnaire No. CLL.	In Compliance
Punitive or Exemplary Damages	<a href="#">CL 6 (1994)</a>	Coverage for Punitive or Exemplary Damages is not permitted. Please refer to Item I.A.1.a of Compliance Questionnaire No. CLL.	In Compliance
Sexual Harassment Coverage	<a href="#">§2307(b)</a>	Coverage should not be provided to any person who allegedly or actually: i) participates in, ii) directs; or iii) knowingly allows any act of sexual misconduct.	In Compliance
SIDE BY SIDE COMPARISON	<a href="#">CL 11 (1998)</a>	If the filing is a revision to existing form(s), territories, classification(s) or rule(s); Except for simple, non-substantive changes, a side-by-side comparison of the form(s) or rule(s) being proposed and those currently in use in New York, with all changes clearly marked and explained in the company's cover letter or memorandum must be included. Revisions to classifications and territories should include a comparison between those currently on file (in New York) and those proposed, including relevant statistical data (experience) and any rate or rate relativity effect. There should be a reference to the Department's previous file number and/or a copy of the approval letter in which the current form(s), territories, classification(s) or rule(s) were approved/acknowledged.	N/A

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
<b>FORMS: POLICY PROVISIONS</b>	<a href="#">§1113</a> , <a href="#">§2307</a> , <a href="#">§3105</a> , <a href="#">§3106</a> , & <a href="#">§3420</a> <a href="#">11 NYCRR 86 (Reg. 95)</a> <a href="#">11NYCRR 71 (Reg. 107)</a> <a href="#">11 NYCRR 72 (Reg. 110)</a> <a href="#">11 NYCRR 73 (Reg. 121)</a>	The following Compliance Questionnaire contains detailed information for making a Professional Errors & Omissions filing including required policy provisions, exclusions, prohibited coverages, and standard language: Commercial Liability Insurance Form Filing Compliance Questionnaire <a href="#">cll.doc</a> (Word Format) <a href="#">cll.pdf</a> (PDF Format)	Form/Page/Para Reference
APPLICATIONS			
Filing exemption	<a href="#">§2307(b)</a>	Applications which do not become part of the policy are exempt from filing requirements. Please refer to Item I.N.1 of Compliance Questionnaire No. CLL.	In Compliance
Fraud Warning Statement	<a href="#">§403(d)</a> <a href="#">11NYCRR86.4 (Reg. 95)</a>	All applications must contain the prescribed fraud warning statement, which must be incorporated immediately above the applicant's signature.	In Compliance
Claims-Made Disclosure Notice	<a href="#">11NYCRR 73.7(a)</a> <a href="#">(Reg. 121)</a>	If a policy is a claims-made policy, the application must comply with the disclosure requirements listed in Item II.a of Compliance Questionnaire No. CLMADE.	In Compliance
Defense-within-limit Disclosure	<a href="#">11NYCRR 71.5(a)</a> <a href="#">(Reg. 107)</a>	If a policy is a defense within limits policy, the application must comply with the disclosure requirements listed in Item I.C of Compliance Questionnaire No. DWL.	In Compliance
BANKRUPTCY PROVISIONS			In Compliance
Insolvency or bankruptcy clause	<a href="#">§3420(a)(1)</a>	A policy must contain a statement indicating that the insolvency or bankruptcy of the insured or the insured's estate does not relieve the obligations of the insurer. Please refer to Item I.B.2 of Compliance Questionnaire No. CLL.	In Compliance
BLANK ENDORSEMENTS		Not permitted since a blank endorsement may change policy provisions without the proper approval by this Department. An exception may be made for a blank form if its usage is apparent based on the title/language of the form itself (such as a change in address form). Forms containing check boxes with a space for language to be added are considered blank endorsements and are subject to these rules. Please refer to Item I.L of Compliance Questionnaire No. CLL.	In Compliance
CANCELLATION & NON-RENEWAL	<a href="#">§3426</a> <a href="#">CL 14 (1986)</a> <a href="#">CL 11 (1989)</a> <a href="#">Supplement No 1 to CL 11 (1989)</a>	The Cancellation & Nonrenewal provisions apply to all commercial risk policies including policies issued or issued for delivery in New York covering risks with multi-state locations where the insured is principally headquartered in New York or the policy provides that New York Law will govern. Please refer to Compliance Questionnaire No. CLCNR for detailed cancellation and nonrenewal requirements: Commercial Lines Cancellation and Nonrenewal Form Filing Compliance Questionnaire <a href="#">clcnr.doc</a> (Word Format) <a href="#">clcnr.pdf</a> (PDF Format)	In Compliance
Notice of Cancellation	<a href="#">§3426(b), (c), (h)(2), (g) &amp; (l)</a>	The cancellation provisions must comply with the statutory requirements for the content of the notice (including loss information), proof of notice, special provisions, and time frame for giving notice. Any notice which fails to include a provision required by Section 3426 shall not be an effective notice of cancellation. Notice must be mailed/delivered to the first name insured and to the insured's authorized agent or broker. Please refer to Item I.A of Compliance Questionnaire No. CLCNR.	In Compliance



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
Notice of Non Renewal	<a href="#">§3426(e), (g), (h)(2) &amp; (l)</a>	The nonrenewal provisions must comply with the statutory requirements for the content of the notice (including loss information), proof of notice, special provisions, and time frame for giving notice. Any notice which fails to include a provision required by Section 3426 shall not be an effective notice of nonrenewal. Notice must be mailed/delivered to the first name insured and to the insured's authorized agent or broker. Please refer to Item I.B of Compliance Questionnaire No. CLCNR.	In Compliance
Required Policy Period	<a href="#">§3426(a)(2) &amp; (d)(2)</a>	A required policy period means a period of one year from the date as of which a covered policy is renewed or first issued. A policy issued for less than one year must be in compliance with statutory reasons outlined in §3426(d)(2). Please refer to Item II of Compliance Questionnaire No. CLCNR.	In Compliance
Permissible Reasons for Cancellation	<a href="#">§3426(b), (c) &amp; (h)</a>	A policy may be cancelled for any valid underwriting reason during the first 60 days a policy is in force. After the first 60 days, reasons for cancellation are limited to statutory references. Please refer to Item I.A. 2 of Compliance Questionnaire No. CLCNR.	In Compliance
Permissible Reasons for Non Renewal	<a href="#">§3426(e) &amp; (h)</a>	A valid underwriting reason must be specifically listed in notice. Please refer to Compliance Questionnaire No. CLCNR.	In Compliance
Conditional Renewal	<a href="#">§3426(e)(1)(B)</a>	A conditional renewal notice is required for any change in the policy less favorable to the policyholder. Such notice must contain the specific reason or reasons for conditional renewal and must comply with the statutory requirements for the content of the notice (including loss information), proof of notice, special provisions, and time frame for giving notice. Please refer to Item I.B.2 and I.B.3 of Compliance Questionnaire No. CLCNR.	In Compliance
Policy Extension	<a href="#">§3426(e)(6)</a>	Aggregate Limit for expiring policy is increased in proportion to any policy extension as a result of late notice. Please refer to Item II. 2 of Compliance Questionnaire No. CLCNR.	In Compliance
Suspension	<a href="#">§3426(m)</a>	A suspension of coverage shall not be considered a cancellation of coverage	In Compliance
CLAIMS MADE	<a href="#">§2307(b)</a> <a href="#">11NYCRR73 (Reg. 121)</a>	The following Claims-Made Policies Form Filing Compliance Questionnaire contains detailed information for making a Claims Made filing: Claims Made Policies Form Filing Compliance Questionnaire <a href="#">clmade.doc</a> (Word Format) <a href="#">clmade.pdf</a> (PDF Format)	In Compliance
<b>DEFENSE</b>			
Duty to Defend		For policies that provide for the duty to defend, a defense must be provided even if allegations are groundless, false or fraudulent. A complete defense must be provided for a claim, which involves both covered and uncovered allegations, and no allocation of defense costs is permitted. Additionally, provision must be made for the orderly transfer of defense duties when the limit of liability is used up in the payment of judgments or settlements. Please refer to Item I.C of Compliance Questionnaire No. CLL.	In Compliance
Defense-Within-Limits	<a href="#">11NYCRR 71(Reg. 107)</a>	Please refer to the following Compliance Questionnaire for the minimum provisions, disclosure requirements, and limitations of coverage: Defense-Within-Limits Form Filing Compliance Questionnaire <a href="#">dwl.doc</a> (Word Format) <a href="#">dwl.pdf</a> (PDF Format)	In Compliance



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
Legal Services Insurance	<a href="#">§1113(a)(29)</a> & <a href="#">§1116 11NYCRR262 (Reg. 162)</a>	Legal Services Insurance means insurance providing legal services or reimbursement of the cost of legal services. (Please note that pursuant to Section 262.10(d) of Department Regulation 161, when legal services insurance is written as part of a liability policy, it shall be written on a "pay on behalf" basis, except for a policy of directors and officers insurance, which may be written on an "indemnification" basis.) Please refer to the Compliance Questionnaire LEGAL for additional requirements: Legal Services Insurance Form Filing Compliance Questionnaire <a href="#">legal.doc</a> (Word Format) <a href="#">legal.pdf</a> (PDF Format)	N/A
DEFINITIONS			
Loading & Unloading	<a href="#">§2307(b)</a>	The term "Loading & Unloading" must remain undefined. Please refer to Item I.J of Compliance Questionnaire No. CLL.	In Compliance
Personal Injury	<a href="#">§1113(a)(13)</a>	If the policy provides coverage for Personal Injury, such policy must include the provisions of §1113(a)(13). Please refer to Item I.d of Compliance Questionnaire No. CLL.	In Compliance
EXCESS COVERAGE		1) If the self-insured retention is \$10,000 or greater, the consent of the insured to settle a claim is required for claims falling within the self-insured retention; 2) the insured should have the right to select counsel for claims within the self-insured retention; 3) the company cannot require an insured to contract with a particular claims adjustment service; 4) For the above items, endorsements must be attached to the policy indicating the policyholder understands and consents to the requirements.	In Compliance
FORMS MISCELLANEOUS			
Numbered Forms	<a href="#">§2307(b)</a>	All policy forms and endorsements filed with the Department must include an identification number. Please refer to Item I.M of Compliance Questionnaire No.CLL.	In Compliance
Unlicensed Companies	<a href="#">§2307(b)</a>	All policy forms and endorsements filed with the Department may only include the names of insurers licensed in the State of New York. Please refer to Item I.K of Compliance Questionnaire No. CLL.	In Compliance
FICTITIOUS GROUPS	<a href="#">§3435</a> <a href="#">11NYCRR301 (Reg. 134)</a> <a href="#">11NYCRR153 (Reg. 135)</a>	The provisions of §3435 and Regulations 134 and 135 do not permit fictitious groups. The issuance of group property & casualty insurance is limited to either not-for-profit or municipality insureds, or purchasing groups formed under the Federal Liability Risk Retention Act of 1986 or quasi-group policies through a mass merchandising, safety group or similar program, in connection with State law or a Federal purchasing group.	In Compliance
GROUP POLICIES	<a href="#">§3435</a> <a href="#">11NYCRR301 (Reg. 134)</a> <a href="#">11NYCRR153 (Reg. 135)</a>	The provisions of §3435 and Regulations 134 and 135 do not permit fictitious groups. The issuance of group property & casualty insurance is limited to either not-for-profit or municipality insureds, or purchasing groups formed under the Federal Liability Risk Retention Act of 1986 or quasi-group policies through a mass merchandising, safety group or similar program, in connection with State law or a Federal purchasing group. Group policies must comply with the provisions of Regulations 134 & 135 including the following: general requirements, group policy minimum standards, premium collection and payment, dividend plans and form and rate filings requirements.	In Compliance

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REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
LIMITS			
Policy Limits			In Compliance
Sublimits		If there are sublimits the policy should highlight that fact, and if the policy is written on a Defense Within Limit basis the sublimit cannot be less than the minimum limit required for policies written on that basis.	In Compliance
LOSS SETTLEMENT			
Action Against Company	<a href="#">§3420(a)(2) &amp; §3420(b)</a>	If judgment against an insured is not satisfied within 30 days, an action can be brought against an insurer. Furthermore, the judgment clause may not include the requirement that judgment be "final" or obtained "after actual trial." Please refer to Item I.B of Compliance Questionnaire No. CLL.	In Compliance
After Market Parts			In Compliance
Arbitration			In Compliance
Deductibles	<a href="#">11NYCRR71 (Reg. 107)</a>	If deductible is applied against defense costs, policy must comply with Reg. 107.	In Compliance
Loss Valuations			In Compliance
Notification of Claim	<a href="#">§3420(a)(3)(4)(5)&amp;(6)</a>	The policy must contain the various liability provisions set forth in Section 3420 (a)(3)(4)(5) and (6). Please refer to Paragraph I.B of Compliance Questionnaire CLL.	In Compliance
OTHER INSURANCE	<a href="#">§2303</a>	Policy provisions which indicate that in the event an occurrence is covered by more than one policy issued by an insurer or its affiliates, only the highest limit of liability among all policies will apply to the claim, are not permitted. Please refer to Item I.I of Compliance Questionnaire No. CLL.	In Compliance
PARTICIPATING POLICIES	<a href="#">§4106</a>	A participating policy provision is not required. However, when the provision is included, the board of directors may make reasonable classifications of policies in order to issue payment of dividends. Such classifications must be filed for approval and be fair and not unfairly discriminatory.	In Compliance
PREMIUM AUDIT	<a href="#">11 NYCRR161.10 (Reg. 129)</a>	Audit to determine the final premium must be conducted within 180 days after expiration of the policy and such audit requirement may only be waived for reasons specified in the regulation.	In Compliance
PRIOR ACT COVERAGE FOR OCCURRENCE POLICY		It is only permitted to be written if 1) No coverage for known claims, 2) Provided only to insureds switching from claims-made policy and is not available to an insured with an uninsured prior acts exposure, 3) Once purchased, must survive termination of the occurrence policy.	In Compliance
VICARIOUS LIABILITY	<a href="#">CL 6 (1994)</a>	The Department permits coverage for claims of vicarious liability regardless of whether the underlying wrong is intentional or not.	In Compliance

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REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
VOIDANCE	<a href="#">§3105</a> & <a href="#">§3106</a>	May not void a policy unless the misrepresentation is material. No misrepresentation shall be deemed material unless knowledge by the insurer of the facts misrepresented would have led to a refusal by the insurer to make such contract. Please refer to Item I.H of Compliance Questionnaire No. CLL.	In Compliance
WARRANTIES	<a href="#">§3106</a>	A breach of warranty shall not void a policy unless the breach of warranty is material.	In Compliance
WORLDWIDE COVERAGE		If a policy provides for a duty to defend, in provisions where the company states it has no duty to defend suits brought in foreign countries, the company must state the specific reasons why it does not wish to defend (i.e. if the insurer lacks the expertise to defend in the foreign country, or if the insurer is not permitted by law to defend in such foreign country.) In such situations, the policy must specify that the insurer must reimburse the insured for the defense expenses the insured incurred.	In Compliance
<b>RATES &amp; RATING PLANS</b>	<a href="#">§2304</a> & <a href="#">§2344</a> <a href="#">11NYCRR161 (Reg. 129)</a> <a href="#">Circular Letter No. 5 (2009)</a>	All rates, rating plans, and rating rules filings must be submitted in accordance with the instructions of Circular Letter No. 5 (2009) which outlines the new mandatory filing procedures effective March 10, 2009. These procedures contain the minimum required information that must accompany all rate, rating plan, and rating rule filings. Rate filings must include appropriate supporting information as outlined in the Rate Filing Sequence Checklist. Please note the relevant requirements contained in Section 2304 of the New York Insurance Law. For commercial lines filings subject to flex-rating under Section 2344, please also refer to Regulation 129 (11 NYCRR 161). Please refer to the <a href="#">following web site</a> for additional information:  <a href="http://www.dfs.ny.gov/insurance/issec-ii.htm">http://www.dfs.ny.gov/insurance/issec-ii.htm</a>	Form/Page/Para Reference
ADOPTIONS OF RATE SERVICE ORGANIZATIONS (RSO) FILINGS			
Me Too Filings	<a href="#">§2306</a> <a href="#">11 NYCRR 161.7 (Reg. 129)</a>	The insurer may discharge its rate filing obligation by giving notice that it uses rates and rate information prepared by a designated rate service organization. Please refer to Regulation 129 for the filing of rates and the relation and role of rates published by a rate service organization and the <a href="#">Department's web site</a> for additional filing information: <a href="http://www.dfs.ny.gov/insurance/issec-iii.htm">http://www.dfs.ny.gov/insurance/issec-iii.htm</a>	N/A
CONSENT-TO-RATE	<a href="#">§2309</a>	The application for an excess rate is subject to prior approval. In addition, the application must include the insured's reasons and the application must be signed by the insured.	N/A
CREDIT SCORING AND REPORTS		The use of credit scoring and reports is limited to the initial underwriting and/or initial tier placement of the risk.	N/A
INDIVIDUAL RISK RATING	<a href="#">§2305</a> <a href="#">11NYCRR161.12 (Reg. 129)</a>	Individual Risk Submissions not subject to prior approval shall not filed with the Department. All such information shall be retained in the insurer's individual underwriting file for each policy issued for a period of five years from the date of first issuance of such policy.	N/A
Prior approval	<a href="#">CL 4 (1996)</a>	This form must be included in all Individual Risk Submission subject to prior approval: <a href="#">NYSID Form 129-c.doc</a>	In Compliance

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
PRICING	<a href="#">§2304 &amp; §2344</a> <a href="#">11NYCRR161 (Reg. 129)</a> <a href="#">CL 19(1992) &amp; CL 4(1996)</a>	The <a href="http://www.dfs.ny.gov/insurance/ipchk1st.htm">following web site</a> contains the mandatory filing procedures: <a href="http://www.dfs.ny.gov/insurance/ipchk1st.htm">http://www.dfs.ny.gov/insurance/ipchk1st.htm</a>	In Compliance
Audit Provisions/premium Audit Rules		Indicate if the filing includes an audit provision and/or a premium audit rule. If so, an audit to determine final premium for policies under which the initial premium is based on an estimate of the insured's exposure base must comply with Section 161.10 of Regulation 129. The provision/rule must clearly demonstrate compliance.	In Compliance
Minimum Premium Rules		Minimum Premium Rules- the submission should evidence the relationship between the amount charged as a minimum premium and the costs associated with producing the policy or coverage. Return Premium/Minimum Earned Premium Rules - the submission should specify that the policy will be pro-rated or short-rated due to mid-term termination of the policy. Premium may be considered fully earned only for policies insuring special events that are only a few days in length.	In Compliance
Multi Tiering		Eligibility requirements for each tier must be submitted. The tier eligibility requirements must be specific and mutually exclusive, so that no insured would be eligible for more than one tier. The rate effects of the tier eligibility requirements should not be duplicated in any rating plans. Justification must be provided for the rate differential for each tier.	In Compliance
Payment Plans		Payment plans are outside of the rating structure, and do not have to be filed with the Department or included as part of the manual rates.	In Compliance
Renewal Discounts		Renewal Discounts or credits due to the insured's longevity with the company are not permitted for Commercial Liability coverage.	In Compliance
Service Charges		Late payment fees, reinstatement fees, and premium installment fees are to be classified as service fees that are outside of the rating structure, and do not have to be filed with the Department or included as part of the manual rates.	In Compliance
RATING PLAN REQUIREMENTS	<a href="#">§2344</a> <a href="#">11NYCRR161.8 (Reg. 129)</a>	Rating plans are subject to prior approval. Even if the insurer is adopting a rating plan from a Rate Service Organization (RSO) without modification, such plan is subject to the prior approval requirements.	In Compliance
Composite Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	In Compliance
Expense Reduction Plan		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	In Compliance
Experience Rating		Please refer to item RP-1, RP-2, and RP-3 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	In Compliance
Loss Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	In Compliance
Retrospective Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	In Compliance
Schedule Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	In Compliance

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
 REVIEW STANDARDS FOR PROFESSIONAL LIABILITY AND ERRORS & OMISSIONS

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
RATE/LOSS COST SUPPORTING INFORMATION			
Actuarial or other Rate Support	<a href="#">11NYCRR161 (Reg. 129)</a> <a href="#">CL 19 (1992)</a> <a href="#">Circular Letter No. 5 (2009)</a>	Rate making and supporting information for rates, rating plans, and rating rules must be organized into exhibits, which follow a sequential numbering system. The Rate Filing Sequence Checklist and the related instructions prescribe the required format used to support rate, rating plan, and rating rule filings.  Rate Filing Sequence Checklist <a href="#">newrate.doc</a> (Word Format) <a href="#">newrate.pdf</a> (PDF Format)  Instructions for Rate Filing Sequence Checklist <a href="#">instr.doc</a> (Word Format) <a href="#">instr.pdf</a> (PDF Format)	In Compliance

# New York Insurance Department

# Rate Filing Sequence Checklist

Insurer Name:

Insurer File No.:

TOI:

Sub-TOI:

Exhibit Name	Exhibit Description	Included Exhibits (all <b>must</b> be checked yes or no)
<input type="checkbox"/> Exhibit STM-1	Master List of Compliance Checklists <a href="#">PDF</a>	YES <input type="checkbox"/> NO <input type="checkbox"/> (Not a speed-to-market filing)
<input type="checkbox"/> Exhibit STM-2	Rate and/or Rating Plan Compliance Certification <a href="#">PDF</a>	YES <input type="checkbox"/> NO <input type="checkbox"/> (Not a speed-to-market filing)
<input type="checkbox"/> Exhibit RF-1	Supplemental Explanatory Memorandum	YES <input type="checkbox"/> NO <input type="checkbox"/> (General filing information on Transmittal Document is complete)
<input type="checkbox"/> Exhibit RF-2	Actuarial Memorandum	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing contains no actuarial data)
<input type="checkbox"/> Exhibit RF-3	Expenses	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing pertains only to rating plans as defined by Section 161.1 of Regulation 129)
<input type="checkbox"/> Exhibit RF-4	Investment Income	YES <input type="checkbox"/> NO <input type="checkbox"/> (Exhibit RF-3 not required)
<input type="checkbox"/> Exhibit RT-1	Side-By-Side Comparison	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing pertains only to rating plans as defined by Section 161.1 of Regulation 129)
<input type="checkbox"/> Exhibit RT-2	Policyholder Rate Level Changes	YES <input type="checkbox"/> NO <input type="checkbox"/> (No existing policyholders for this program)
<input type="checkbox"/> Exhibit RT-3	Policyholder Counts	YES <input type="checkbox"/> NO <input type="checkbox"/> (No existing policyholders for this program)
<input type="checkbox"/> Exhibit RT-4	Insurer & Program Information	YES <input type="checkbox"/> NO <input type="checkbox"/> (Exempt per detailed instructions)
<input type="checkbox"/> Exhibit RT-5	Flex-Rating Information	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing not subject to flex-rating)
<input type="checkbox"/> Exhibit RSO-1	Rate Service Organization Adoptions	YES <input type="checkbox"/> NO <input type="checkbox"/> (Independent rates or no RSO adoption)
<input type="checkbox"/> Exhibit RSO-2	Loss Cost Modification Support	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing does not contain loss costs)
<input type="checkbox"/> Exhibit EXP-1	Overall Rate Indications	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing support is based exclusively on judgment and/or competition)
<input type="checkbox"/> Exhibit EXP-2	Earned Premium Adjustments	YES <input type="checkbox"/> NO <input type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit EXP-3	Incurred Loss Adjustments	YES <input type="checkbox"/> NO <input type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit EXP-4	Credibility	YES <input type="checkbox"/> NO <input type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit EXP-5	Class & Territory Indications	YES <input type="checkbox"/> NO <input type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit EXP-6	Rating Factor, Debit, Credit or Other Rating Charge Indications	YES <input type="checkbox"/> NO <input type="checkbox"/> (Exhibit EXP-1 not required)
<input type="checkbox"/> Exhibit SUPP-1	Multi-Tier Programs	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing does not propose or modify a multi-tier program)
<input type="checkbox"/> Exhibit SUPP-2	Personal Lines Catastrophe Reinsurance Loads	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing is not a personal lines property filing or no catastrophe reinsurance load applies)
<input type="checkbox"/> Exhibit SUPP-3	Homeowners Catastrophe & Hurricane Deductibles	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing does not propose or modify homeowners catastrophe or hurricane deductibles)
<input type="checkbox"/> Exhibit JDG-1	Explanation of Key Areas of Judgment	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing support is based exclusively on experience and/or competition)
<input type="checkbox"/> Exhibit JDG-2	Raw Loss Experience	YES <input type="checkbox"/> NO <input type="checkbox"/> (No NY experience to provide)
<input type="checkbox"/> Exhibit CMP-1	Company Analysis	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing support is based exclusively on experience and/or judgment)
<input type="checkbox"/> Exhibit CMP-2	Base Rate & Rating Factor Comparison	YES <input type="checkbox"/> NO <input type="checkbox"/> (Exhibit CMP-1 does not apply)
<input type="checkbox"/> Exhibit CMP-3	Rate Analysis	YES <input type="checkbox"/> NO <input type="checkbox"/> (Exhibit CMP-1 does not apply)
<input type="checkbox"/> Exhibit CMP-4	Raw Loss Experience	YES <input type="checkbox"/> NO <input type="checkbox"/> (No NY experience to provide)
<input type="checkbox"/> Exhibit RP-1	Rating Plans	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing does not include rating plans as defined by Section 161.1 of Regulation 129)
<input type="checkbox"/> Exhibit RP-2	Rating Plan Expected Loss Ratios	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing does not include Experience, Retrospective or Composite Rating Plans of an RSO)
<input type="checkbox"/> Exhibit RP-3	Supplemental Experience Rating Plan Requirements	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing does not include an independent Experience Rating Plan)
<input type="checkbox"/> Exhibit MRP-1	Manual Rate Pages	YES <input type="checkbox"/> NO <input type="checkbox"/> (Filing only includes rating plans as defined by Section 161.1 of Regulation 129)

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR COMMERCIAL LIABILITY

LINE OF BUSINESS: Other Liability  
CODE: 17.0000

LINE(S) OF INSURANCE  
Claims Made 17.1000  
Occurrence **17.2000**  
CGL 17.0001  
Completed Operations 17.0002

IF CHECKLIST IS NOT APPLICABLE, PLEASE EXPLAIN:

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REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
<b>GENERAL REQUIREMENTS FOR ALL FILINGS</b>		The <a href="http://www.dfs.ny.gov/insurance/is-file.htm">following web site</a> represents the Department's initiative to streamline the procedures for form, rate and rule filings: <a href="http://www.dfs.ny.gov/insurance/is-file.htm">http://www.dfs.ny.gov/insurance/is-file.htm</a>	Form/Page/Para Reference
COVER LETTER AND EXPLANATORY MEMORANDUM	<a href="#">CL 11 (1998)</a>	The filing should include a cover letter, and an explanatory memorandum clearly explaining the intent of the filing, and highlighting any substantive changes (such as changes in ratemaking methodology or major coverages provided). If new form(s), territories, classification(s), or rule(s) are being filed and there are similar ones currently approved for use by a Rate Service Organization (RSO) or another insurer, or has been the subject of a filing previously not approved in New York, reference should be provided to the Department's file number or SERFF tracking number and effective date of the approval, or copies of the approved items should be included, if applicable. If the filing is currently in use in another state, this should be indicated.	In Compliance
EXCLUSIONS & LIMITATIONS		The <a href="http://www.dfs.ny.gov/insurance/issec-v.htm">following web site</a> contains additional information on exclusions and prohibited coverages: <a href="http://www.dfs.ny.gov/insurance/issec-v.htm">http://www.dfs.ny.gov/insurance/issec-v.htm</a>	In Compliance
Lead	<a href="#">§2307(b)</a>	May only exclude structures built prior to 1980 which have a significant potential lead exposure and have not undergone lead abatement procedures. A premium reduction of between 2% and 10% should be contemplated whenever the exclusion is attached to a policy. Please refer to Item IX of Compliance Questionnaire No. CLL.	In Compliance
Mold	<a href="#">§2307(b)</a>		In Compliance
Pollution	<a href="#">§2307(b)</a>	Please refer to Item VIII of Compliance Questionnaire No. CLL.	In Compliance
Terrorism	<a href="#">CL 25 (2002)</a>	The <a href="http://www.dfs.ny.gov/insurance/circltr/2002/cl02_25.htm">following web site</a> contains additional information: <a href="http://www.dfs.ny.gov/insurance/circltr/2002/cl02_25.htm">http://www.dfs.ny.gov/insurance/circltr/2002/cl02_25.htm</a>	In Compliance
Tobacco	<a href="#">§2307(b)</a>	Such exclusion should be limited to the deleterious health effects associated with the use of such products only. Please refer to Item I.O of Compliance Questionnaire No. CLL.	In Compliance



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES  
REVIEW STANDARDS FOR COMMERCIAL LIABILITY

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
FILING SUBMISSION	<a href="#">§2305 &amp; §2307 CL 19 (1992) Supplement No 1 to CL 11 (1998)</a>	Forms, territories, classifications, rating rules, rates and rating plans are subject to prior approval.	In Compliance
Compliance Questionnaires, Forms and Optional "Speed to Market" Filing Procedures	<a href="#">CL 11 (1998) Supplement No 3 to CL 11 (1998)</a>	Please refer to the <a href="http://www.dfs.ny.gov/insurance/issec-iv.htm">following web site</a> for additional information: <a href="http://www.dfs.ny.gov/insurance/issec-iv.htm">http://www.dfs.ny.gov/insurance/issec-iv.htm</a>	N/A
NO FILE OR FILING EXEMPTIONS	<a href="#">Article 63 11NYCRR16(Reg. 86)</a>	An authorized insurer must obtain a "Special Risk License" prior to writing business in the "Free Trade Zone". Such business shall be limited to a Special Risk defined as either a Class 1 risk, Class 2 risk as enumerated in the list contained in Regulation 86, <b>or a Class 3 risk</b> . Although filing is not required for a Class 1 risk or a Class 2 risk, rates and policy forms applied to special risks must still satisfy governing standards set forth in the Insurance Law and regulations. <b>If it is a class 3 risk then certain filings need to be made. The certificate of insurance and certification and checklist form need to be filed together within 30 days and all forms used which have not previously been filed must be filed for information within three days of delivery to the policyholder.</b>	N/A
PROHIBITED COVERAGES		While the Department does not have an exhaustive list, some examples of prohibited coverages include punitive damages and corporal punishment. Please refer to the <a href="http://www.dfs.ny.gov/insurance/issec-v.htm">following web site</a> for additional information: <a href="http://www.dfs.ny.gov/insurance/issec-v.htm">http://www.dfs.ny.gov/insurance/issec-v.htm</a>	In Compliance
Assault and Battery	<a href="#">§2307(b)</a>	Coverage for Assault and Battery is prohibited except for defense of person or property. Please refer to Item I.A.1.c of Compliance Questionnaire No. CLL.	In Compliance
Discrimination	<a href="#">CL 6 (1994)</a>	Coverage for discrimination may only be provided on vicarious basis or for disparate impact.	In Compliance
Indemnification Policy	<a href="#">§3420</a>	Is not permitted. Liability coverage must be provided on a pay on behalf basis. Please refer to Item I.B.1 of Compliance Questionnaire No. CLL.	In Compliance
Intentional Acts	<a href="#">§2307(b)</a>	May only be provided on vicarious basis or for disparate impact. Please refer to Item I.A.1.b of Compliance Questionnaire No. CLL.	In Compliance
Punitive or Exemplary Damages	<a href="#">CL 6 (1994)</a>	Coverage for Punitive or Exemplary Damages is not permitted. Please refer to Item I.A.1.a of Compliance Questionnaire No. CLL.	In Compliance
Sexual Harassment Coverage	<a href="#">§2307(b)</a>	Coverage should not be provided to any person who allegedly or actually: i) participates in, ii) directs; or iii) knowingly allows any act of sexual misconduct.	In Compliance
SIDE BY SIDE COMPARISON	<a href="#">CL 11 (1998)</a>	If the filing is a revision to existing form(s), territories, classification(s) or rule(s); Except for simple, non-substantive changes, a side-by-side comparison of the form(s) or rule(s) being proposed and those currently in use in New York, with all changes clearly marked and explained in the company's cover letter or memorandum must be included. Revisions to classifications and territories should include a comparison between those currently on file (in New York) and those proposed, including relevant statistical data (experience) and any rate or rate relativity effect. There should be a reference to the Department's previous file number and/or a copy of the approval letter in which the current form(s), territories, classification(s) or rule(s) were approved/acknowledged.	N/A – New Program



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REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
<b>FORMS: POLICY PROVISIONS</b>	<a href="#">§1113</a> , <a href="#">§2307</a> , <a href="#">§3105</a> , <a href="#">§3106</a> , & <a href="#">§3420</a> <a href="#">11 NYCRR 86 (Reg. 95)</a> <a href="#">11NYCRR 71 (Reg. 107)</a> <a href="#">11 NYCRR 72 (Reg. 110)</a> <a href="#">11 NYCRR 73 (Reg. 121)</a>	<p>The following Compliance Questionnaire contains detailed information for making a commercial liability filing including required policy provisions, exclusions, prohibited coverages, and standard language:  Commercial Liability Insurance Form Filing Compliance Questionnaire  <a href="#">cll.doc</a> (Word Format) <a href="#">cll.pdf</a> (PDF Format)</p>	Form/Page/Para Reference
APPLICATIONS			In Compliance
Filing exemption	<a href="#">§2307(b)</a>	Applications which do not become part of the policy are exempt from filing requirements. Please refer to Item I.N.1 of Compliance Questionnaire No. CLL.	In Compliance
Fraud Warning Statement	<a href="#">§403(d)</a> <a href="#">11NYCRR86.4(Reg. 95)</a>	All applications must contain the prescribed fraud warning statement, which must be incorporated immediately above the applicant's signature. Please refer to Item I.N.2 of Compliance Questionnaire No. CLL.	In Compliance
Claims-Made Disclosure Notice	<a href="#">11NYCRR 73.7(a)</a> <a href="#">(Reg. 121)</a>	If a policy is a claims-made policy, the application must comply with the disclosure requirements listed in Item II.a of Compliance Questionnaire No. CLMADE.	In Compliance
Defense-within-limit Disclosure	<a href="#">11NYCRR 71.5(a)</a> <a href="#">(Reg. 107)</a>	If a policy is a defense within limits policy, the application must comply with the disclosure requirements listed in Item I.C of Compliance Questionnaire No. DWL. Note, however, most commercial general liability insurance policies may not be written of a defense within limits basis.	In Compliance
BANKRUPTCY PROVISIONS			In Compliance
Insolvency or bankruptcy clause	<a href="#">§3420(a)(1)</a>	A policy must contain a statement indicating that the insolvency or bankruptcy of the insured or the insured's estate does not relieve the obligations of the insurer. Please refer to Item I.B.2 of Compliance Questionnaire No. CLL.	In Compliance
BLANK ENDORSEMENTS		Not permitted since a blank endorsement may change policy provisions without the proper approval by this Department. An exception may be made for a blank form if its usage is apparent based on the title/language of the form itself (such as a change in address form). Forms containing check boxes with a space for language to be added are considered blank endorsements and are subject to these rules. Please refer to Item I.L of Compliance Questionnaire No. CLL.	In Compliance
CANCELLATION & NON-RENEWAL	<a href="#">§3426</a> <a href="#">CL 14 (1986)</a> <a href="#">CL 11 (1989)</a> <a href="#">Supplement No 1 to CL 11 (1989)</a>	<p>The Cancellation &amp; Nonrenewal provisions apply to all commercial risk policies including policies issued or issued for delivery in New York covering risks with multi-state locations where the insured is principally headquartered in New York or the policy provides that New York Law will govern. Please refer to Compliance Questionnaire No. CLCNR for detailed cancellation and nonrenewal requirements:  Commercial Lines Cancellation and Nonrenewal Form Filing Compliance Questionnaire  <a href="#">clcnr.doc</a> (Word Format) <a href="#">clcnr.pdf</a> (PDF Format)</p>	In Compliance

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Notice of Cancellation	<a href="#">§3426(b), (c), (h)(2), (g) &amp; (l)</a>	The cancellation provisions must comply with the statutory requirements for the content of the notice (including loss information), proof of notice, special provisions, and time frame for giving notice. Any notice which fails to include a provision required by Section 3426 shall not be an effective notice of cancellation. Notice must be mailed/delivered to the first name insured and to the insured's authorized agent or broker. Please refer to Item I.A of Compliance Questionnaire No. CLCNR.	In Compliance
Notice of Non Renewal	<a href="#">§3426(e), (g), (h)(2) &amp; (l)</a>	The nonrenewal provisions must comply with the statutory requirements for the content of the notice (including loss information), proof of notice, special provisions, and time frame for giving notice. Any notice which fails to include a provision required by Section 3426 shall not be an effective notice of nonrenewal. Notice must be mailed/delivered to the first name insured and to the insured's authorized agent or broker. Please refer to Item I.B of Compliance Questionnaire No. CLCNR.	In Compliance
Required Policy Period	<a href="#">§3426(a)(2) &amp; (d)(2)</a>	A required policy period means a period of one year from the date as of which a covered policy is renewed or first issued. A policy issued for less than one year must be in compliance with statutory reasons outlined in §3426(d)(2). Please refer to Item II of Compliance Questionnaire No. CLCNR.	In Compliance
Permissible Reasons for Cancellation	<a href="#">§3426(b), (c) &amp; (h)</a>	A policy may be cancelled for any valid underwriting reason during the first 60 days a policy is in force. After the first 60 days, reasons for cancellation are limited to statutory references. Please refer to Item I.A. 2 of Compliance Questionnaire No. CLCNR.	In Compliance
Permissible Reasons for Non Renewal	<a href="#">§3426(e) &amp; (h)</a>	A valid underwriting reason must be specifically listed in notice. Please refer to Compliance Questionnaire No. CLCNR.	In Compliance
Conditional Renewal	<a href="#">§3426(e)(1)(B)</a>	A conditional renewal notice is required for any change in the policy less favorable to the policyholder. Such notice must contain the specific reason or reasons for conditional renewal and must comply with the statutory requirements for the content of the notice (including loss information), proof of notice, special provisions, and time frame for giving notice. Please refer to Item I.B.2 and I.B.3 of Compliance Questionnaire No. CLCNR.	In Compliance
Policy Extension	<a href="#">§3426(e)(6)</a>	Aggregate Limit for expiring policy is increased in proportion to any policy extension as a result of late notice. Please refer to Item II. 2 of Compliance Questionnaire No. CLCNR.	In Compliance
Suspension	<a href="#">§3426(m)</a>	A suspension of coverage shall not be considered a cancellation of coverage	In Compliance
CLAIMS MADE	<a href="#">§2307(b)11NYCRR73 (Reg. 121)</a>	The following Claims-Made Policies Form Filing Compliance Questionnaire contains detailed information for making a Claims Made filing: Claims Made Policies Form Filing Compliance Questionnaire <a href="#">clmade.doc</a> (Word Format) <a href="#">clmade.pdf</a> (PDF Format)	In Compliance
Commercial General Liability policies issued on claims-made basis	<a href="#">11NYCRR73.2(c), (d), (e) and (f) (Reg. 121)</a>	Commercial General Liability policies cannot be written on a claims-made basis except otherwise permitted by Regulation 121.	In Compliance

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REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
DEFENSE			In Compliance
Duty to Defend		The insurer has the duty to defend all claims to which the policy applies. A defense must be provided even if allegations are groundless, false or fraudulent. A complete defense must be provided for a claim, which involves both covered and uncovered allegations, and no allocation of defense costs is permitted. Additionally, provision must be made for the orderly transfer of defense duties when the limit of liability is used up in the payment of judgments or settlements. Please refer to Item I.C of Compliance Questionnaire No. CLL.	In Compliance
Defense-Within-Limits	<a href="#">11NYCRR 71 (Reg. 107)</a>	Please refer to the following Compliance Questionnaire for the minimum provisions, disclosure requirements, and limitations of coverage: Defense-Within-Limits Form Filing Compliance Questionnaire <a href="#">dwl.doc</a> (Word Format) <a href="#">dwl.pdf</a> (PDF Format)	In Compliance
Legal Services Insurance	<a href="#">§1113(a)(29)</a> & <a href="#">§1116 11NYCRR262 (Reg. 162)</a>	Legal Services Insurance means insurance providing legal services or reimbursement of the cost of legal services. (Please note that pursuant to Section 262.10(d) of Department Regulation 161, when legal services insurance is written as part of a liability policy, it shall be written on a "pay on behalf" basis, except for a policy of directors and officers insurance, which may be written on an "indemnification" basis.) Please refer to the Compliance Questionnaire LEGAL for additional requirements: Legal Services Insurance Form Filing Compliance Questionnaire <a href="#">legal.doc</a> (Word Format) <a href="#">legal.pdf</a> (PDF Format)	In Compliance
DEFINITIONS			In Compliance
Bodily Injury		If the policy covers Bodily Injury, and that definition does not include mental anguish that results from a wrongful act, some form of rate relief must be given. Please refer to Item I.E of Compliance Questionnaire No. CLL.	In Compliance
Loading & Unloading	<a href="#">§2307(b)</a>	The term "Loading & Unloading" must remain undefined. Please refer to Item I.J of Compliance Questionnaire No. CLL.	In Compliance
Personal Injury	<a href="#">§1113(a)(13)</a>	If the policy provides coverage for Personal Injury, such policy must include the provisions of §1113(a)(13). Please refer to Item I.d of Compliance Questionnaire No. CLL.	In Compliance
EXCESS COVERAGE		1) If the self-insured retention is \$10,000 or greater, the consent of the insured to settle a claim is required for claims falling within the self-insured retention; 2) the insured should have the right to select counsel for claims within the self-insured retention; 3) the company cannot require an insured to contract with a particular claims adjustment service; 4) For the above items, endorsements must be attached to the policy indicating the policyholder understands and consents to the requirements.	In Compliance
FORMS MISCELLANEOUS			In Compliance

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Numbered Forms	<a href="#">§2307(b)</a>	All policy forms and endorsements filed with the Department must include an identification number. Please refer to Item I.M of Compliance Questionnaire No.CLL.	In Compliance
Unlicensed Companies	<a href="#">§2307(b)</a>	All policy forms and endorsements filed with the Department may only include the names of insurers licensed in the State of New York. Please refer to Item I.K of Compliance Questionnaire No. CLL.	In Compliance

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FICTITIOUS GROUPS	<a href="#">§3435</a> <a href="#">11NYCRR301 (Reg. 134)</a> <a href="#">11NYCRR153 (Reg. 135)</a>	The provisions of §3435 and Regulations 134 and 135 do not permit fictitious groups. The issuance of group property & casualty insurance is limited to either not-for-profit or municipality insureds, or purchasing groups formed under the Federal Liability Risk Retention Act of 1986 or quasi-group policies through a mass merchandising, safety group or similar program, in connection with State law or a Federal purchasing group.	In Compliance
GROUP POLICIES	<a href="#">§3435</a> <a href="#">11NYCRR301 (Reg. 134)</a> <a href="#">11NYCRR153 (Reg. 135)</a>	The provisions of §3435 and Regulations 134 and 135 do not permit fictitious groups. The issuance of group property & casualty insurance is limited to either not-for-profit or municipality insureds, or purchasing groups formed under the Federal Liability Risk Retention Act of 1986 or quasi-group policies through a mass merchandising, safety group or similar program, in connection with State law or a Federal purchasing group. Group policies must comply with the provisions of Regulations 134 & 135 including the following: general requirements, group policy minimum standards, premium collection and payment, dividend plans and form and rate filings requirements.	In Compliance
LIMITS			In Compliance
Policy Limits			In Compliance
Sublimits		If there are sublimits the policy should highlight that fact, and if the policy is written on a Defense Within Limit basis the sublimit cannot be less than the minimum limit required for policies written on that basis.	In Compliance
LOSS SETTLEMENT			In Compliance
Action Against Company	<a href="#">§3420(a)(2) &amp; §3420(b)</a>	If judgment against an insured is not satisfied within 30 days, an action can be brought against an insurer. Furthermore, the judgment clause may not include the requirement that judgment be "final" or obtained "after actual trial." Please refer to Item I.B of Compliance Questionnaire No. CLL.	In Compliance
After Market Parts			In Compliance
Arbitration			In Compliance
Deductibles	<a href="#">11NYCRR71 (Reg. 107)</a>	If deductible is applied against defense costs, policy must comply with Reg. 107.	In Compliance
Loss Valuations			In Compliance
Notification of Claim	<a href="#">§3420(a)(3)(4)(5)&amp;(6)</a>	The policy must contain the various liability provisions set forth in Section 3420 (a)(3)(4)(5) and (6). Please refer to Paragraph I.B of Compliance Questionnaire CLL.	In Compliance
MEDICAL PAYMENTS			In Compliance
OTHER INSURANCE	<a href="#">§2303</a>	Policy provisions which indicate that in the event an occurrence is covered by more than one policy issued by an insurer or its affiliates, only the highest limit of liability among all policies will apply to the claim, are not permitted. Please refer to Item I.I of Compliance Questionnaire No. CLL.	In Compliance
SUBROGATION			In Compliance
OTHER PROVISIONS			In Compliance

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REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
PARTICIPATING POLICIES	<a href="#">§4106</a>	A participating policy provision is not required. However, when the provision is included, the board of directors may make reasonable classifications of policies in order to issue payment of dividends. Such classifications must be filed for approval and be fair and not unfairly discriminatory.	In Compliance
PREMIUM AUDIT	<a href="#">11 NYCRR161.10 (Reg. 129)</a>	Audit to determine the final premium must be conducted within 180 days after expiration of the policy and such audit requirement may only be waived for reasons specified in the regulation.	In Compliance
PRIOR ACT COVERAGE FOR OCCURRENCE POLICY		It is only permitted to be written if 1) No coverage for known claims, 2) Provided only to insureds switching from claims-made policy and is not available to an insured with an uninsured prior acts exposure, 3) Once purchased, must survive termination of the occurrence policy.	In Compliance
VICARIOUS LIABILITY	<a href="#">CL 6 (1994)</a>	The Department permits coverage for claims of vicarious liability regardless of whether the underlying wrong is intentional or not.	In Compliance
VOIDANCE	<a href="#">§3105</a> & <a href="#">§3106</a>	May not void a policy unless the misrepresentation is material. No misrepresentation shall be deemed material unless knowledge by the insurer of the facts misrepresented would have led to a refusal by the insurer to make such contract. Please refer to Item I.H of Compliance Questionnaire No. CLL.	In Compliance
WARRANTIES	<a href="#">§3106</a>	A breach of warranty shall not void a policy unless the breach of warranty is material.	In Compliance
WORLDWIDE COVERAGE		If a policy provides for a duty to defend, in provisions where the company states it has no duty to defend suits brought in foreign countries, the company must state the specific reasons why it does not wish to defend (i.e. if the insurer lacks the expertise to defend in the foreign country, or if the insurer is not permitted by law to defend in such foreign country.) In such situations, the policy must specify that the insurer must reimburse the insured for the defense expenses the insured incurred.	In Compliance
<b>RATES &amp; RATING PLANS</b>	<a href="#">§2304</a> & <a href="#">§2344</a> <a href="#">11NYCRR161 (Reg. 129)</a> <a href="#">Circular Letter No. 5 (2009)</a>	All rates, rating plans, and rating rules filings must be submitted in accordance with the instructions of Circular Letter No.5 (2009) which outlines the new mandatory filing procedures effective March 10, 2009. These procedures contain the minimum required information that must accompany all rate, rating plan, and rating rule filings. Rate filings must include appropriate supporting information as outlined in the Rate Filing Sequence Checklist. Please note the relevant requirements contained in Section 2304 of the New York Insurance Law. For commercial lines filings subject to flex-rating under Section 2344, please also refer to Regulation 129 (11 NYCRR 161). Please refer to the <a href="#">following web site</a> for additional information: <a href="http://www.dfs.ny.gov/insurance/issec-ii.htm">http://www.dfs.ny.gov/insurance/issec-ii.htm</a>	Form/Page/Para Reference
ADOPTIONS OF RATE SERVICE ORGANIZATIONS (RSO) FILINGS			N/A

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Me Too Filings	<a href="#">§2306</a> <a href="#">11 NYCRR 161.7</a> <a href="#">(Reg. 129)</a>	The insurer may discharge its rate filing obligation by giving notice that it uses rates and rate information prepared by a designated rate service organization. Please refer to Regulation 129 for the filing of rates and the relation and role of rates published by a rate service organization and the <a href="#">Department's web site</a> for additional filing information: <a href="http://www.dfs.ny.gov/insurance/issec-iii.htm">http://www.dfs.ny.gov/insurance/issec-iii.htm</a>	N/A
CONSENT-TO-RATE	<a href="#">§2309</a>	The application for an excess rate is subject to prior approval. In addition, the application must include the insured's reasons and the application must be signed by the insured.	N/A
CREDIT SCORING AND REPORTS		The use of credit scoring and reports is limited to the initial underwriting and/or initial tier placement of the risk.	N/A
INDIVIDUAL RISK RATING	<a href="#">§2305</a> <a href="#">11 NYCRR 161.12</a> <a href="#">(Reg. 129)</a>	Individual Risk Submissions not subject to prior approval shall not be filed with the Department. All such information shall be retained in the insurer's individual underwriting file for each policy issued for a period of five years from the date of first issuance of such policy.	N/A
Prior approval	<a href="#">CL 4 (1996)</a>	This form must be included in all Individual Risk Submission subject to prior approval: <a href="#">NYSID Form 129-c.doc</a>	In Compliance
PRICING	<a href="#">§2304</a> & <a href="#">§2344</a> <a href="#">11 NYCRR 161 (Reg. 129)</a> <a href="#">CL 19 (1992)</a> & <a href="#">CL 4 (1996)</a>	The <a href="#">following web site</a> contains the mandatory filing procedures: <a href="http://www.dfs.ny.gov/insurance/ipchk1st.htm">http://www.dfs.ny.gov/insurance/ipchk1st.htm</a>	In Compliance
Audit Provisions/premium Audit Rules		Indicate if the filing includes an audit provision and/or a premium audit rule. If so, an audit to determine final premium for policies under which the initial premium is based on an estimate of the insured's exposure base must comply with Section 161.10 of Regulation 129. The provision/rule must clearly demonstrate compliance.	In Compliance
Minimum Premium Rules		Minimum Premium Rules- the submission should evidence the relationship between the amount charged as a minimum premium and the costs associated with producing the policy or coverage. Return Premium/Minimum Earned Premium Rules - the submission should specify that the policy will be pro-rated or short-rated due to mid-term termination of the policy. Premium may be considered fully earned only for policies insuring special events that are only a few days in length.	In Compliance
Multi Tiering		Eligibility requirements for each tier must be submitted. The tier eligibility requirements must be specific and mutually exclusive, so that no insured would be eligible for more than one tier. The rate effects of the tier eligibility requirements should not be duplicated in any rating plans. Justification must be provided for the rate differential for each tier.	In Compliance
Payment Plans		Payment plans are outside of the rating structure, and do not have to be filed with the Department or included as part of the manual rates.	In Compliance
Renewal Discounts		Renewal Discounts or credits due to the insured's longevity with the company are not permitted for Commercial Liability coverage.	In Compliance
Service Charges		Late payment fees, reinstatement fees, and premium installment fees are to be classified as service fees that are outside of the rating structure, and do not have to be filed with the Department or included as part of the manual rates.	In Compliance



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RATING PLAN REQUIREMENTS	<a href="#">§2344</a> <a href="#">11NYCRR161.8 (Reg. 129)</a>	Rating plans are subject to prior approval. Even if the insurer is adopting a rating plan from a Rate Service Organization (RSO) without modification, such plan is subject to the prior approval requirements.	In Compliance
Composite Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	In Compliance
Expense Reduction Plan		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	In Compliance
Experience Rating		Please refer to item RP-1, RP-2, and RP-3 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	In Compliance
Loss Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	In Compliance
Retrospective Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	In Compliance
Schedule Rating		Please refer to item RP-1 and RP-2 of Compliance Questionnaire NEWRATE and Regulation 129 for the rating plan rules and standards.	In Compliance
RATE/LOSS COST SUPPORTING INFORMATION			
Actuarial or other Rate Support	<a href="#">11NYCRR161 (Reg. 129)</a> <a href="#">CL 19 (1992)</a> <a href="#">Circular Letter No. 5 (2009)</a>	Rate making and supporting information for rates, rating plans, and rating rules must be organized into exhibits, which follow a sequential numbering system. The Rate Filing Sequence Checklist and the related instructions prescribe the required format used to support rate, rating plan, and rating rule filings.  Rate Filing Sequence Checklist <a href="#">newrate.doc</a> (Word Format) <a href="#">newrate.pdf</a> (PDF Format)  Instructions for Rate Filing Sequence Checklist <a href="#">instr.doc</a> (Word Format) <a href="#">instr.pdf</a> (PDF Format)	In Compliance