

**LawyerCare Professional Liability Policy  
For Lawyers and Law Firms  
Claims-Made Form**

**SECTION 1. DEFINITIONS**

**Claim** means a demand or suit for **damages** received by the **Insured**, including any arbitration proceedings to which the **Insured** is required to submit or to which the **Insured** has submitted with the **Company's** consent.

**Claim Expense(s)** means all expenses incurred by and with the written consent of the **Company** in the investigation, adjustment, defense or appeal of a **claim**, including but not limited to, fees charged by a lawyer, mediator or arbitrator incurred by and with the written consent of the **Company**, costs taxed against an **Insured** for a **claim** covered by this **policy**, interest on that part of any covered judgment that does not exceed the applicable limit of liability, and commercially reasonable premiums on appeal bonds the principal amount of which shall not exceed the applicable limit of liability (provided that the **Company** shall have no obligation to apply for, guarantee, or furnish such bonds). **Claim expenses** do not include salaries and expenses of employees or officials of the **Company**, or supervisory counsel retained by the **Company**, nor the cost of providing a defense for grievance hearings or disciplinary proceedings of any kind.

**Company** means ProAssurance Indemnity Company, Inc., its successors or assigns.

**Damages** means monetary judgments, awards or settlements, but does not include the return or restitution of legal fees, costs and expenses charged by the **Insured**, or any allegedly misappropriated client funds or interest thereon.

**Formal Mediation** means the voluntary process by which a qualified professional mediator, chosen by parties to a **claim** with agreement by the **Company**, meets with and intercedes between the parties in an attempt to resolve the **claim**. **Formal mediation** does not include litigation, facilitation, arbitration or any court mandated or court imposed mediation.

**Insured** means: (1) the **Named Insured**; or (2) any **Predecessor Firm**; or (3) any lawyer who is a partner, limited liability partner, limited liability company member, officer, director, stockholder or employee of the **Named Insured**; or (4) any lawyer who was a partner, limited liability partner, limited liability company member, officer, director, stockholder or employee of the **Named Insured** or **Predecessor Firm** solely while acting in a professional capacity on behalf of the **Named Insured** or **Predecessor Firm**; or (5) any non-lawyer who was or is an employee of the **Named Insured** or **Predecessor Firm** solely while acting within the scope of their employment on behalf of the **Named Insured** or **Predecessor Firm**; or (6) any "of counsel" lawyer listed on the application solely while acting in a professional capacity on behalf of the **Named Insured** or **Predecessor Firm**; or (7) the heirs, assigns and legal representatives of an **Insured** in the event of the **Insured's** death, incapacity or bankruptcy to the extent that the **Insured** would have been covered.

**Investment Advice** means giving advice regarding the value of an investment; or recommending investment in, purchase or sale of a particular investment; or managing any investment; or buying or selling any investment for another; or acting as a broker for a borrower or lender; or performing economic analysis of any investment; or inducing others to make a particular investment; or giving advice where the compensation for such advice is contingent upon the performance of a particular investment.

**Named Insured** means the firm or individual shown in Item 1 of the Declarations.

**Personal Injury** means false arrest, detention or imprisonment; or wrongful entry or eviction or other invasion of private occupancy; or malicious prosecution; or the publication or utterance of libel, slander or other defamatory or disparaging material; or a publication in violation of a person's right of privacy; and involving the rendering of or failure to render **professional services** by an **Insured**.

**Policy** means this **policy** form, the Declarations, and any endorsement to this **policy** issued by the **Company**.

**Policy Period** means the period from the effective date of this **policy** to the expiration date or earlier termination date of this **policy**.

**Predecessor Firm** means any legal entity listed on the **Insured's** application as a **Predecessor Firm** that was engaged in the practice of law and to whose financial assets and liabilities the **Named Insured** is the majority successor in interest.

**Professional Services** means services rendered by an **Insured** as a provider of legal services in a lawyer-client relationship. **Professional services** shall also include activities of an **Insured** as a mediator, arbitrator, title insurance agent, notary public, administrator, conservator, receiver, executor, guardian, trustee, or in any similar fiduciary capacity, or as a member of a formal accreditation, ethics, peer review, licensing board, standards review, bar association or similar professional board or committee, or as an author, publisher or presenter of legal research.

**Retroactive Date** means the date shown in Item 2 of the Declarations or in any endorsement attached hereto.

## SECTION 2. COVERAGE

### 2.1. WHAT THIS POLICY INSURES

**2.1.1.** The **Company** will pay on behalf of the **Insured** all sums up to the Limit of Liability shown in Item 4 of the Declarations and in excess of the Deductible amount shown in Item 5 of the Declarations which the **Insured** shall become legally obligated to pay as **damages** because of any **claim** or **claims**, including **claim(s)** for **personal injury**, first made against the **Insured** and first reported to the **Company** during the **policy period**, involving any act, error or omission in rendering or failing to render **professional services** by the **Insured** or by any person for whose acts, errors, or omissions the **Insured** is legally responsible, provided that the act, error or omission first occurred on or after the **Retroactive Date**.

**2.1.2.** An act, error or omission which is continuing in nature shall be deemed to have occurred only on the date on which that act, error or omission or series of related acts, errors or omissions began and not on any subsequent date. Related acts, errors or omissions shall be deemed to have occurred on the date that the earliest of such acts, errors or omissions began.

### 2.2. WHEN A CLAIM IS FIRST MADE

A **claim** is first made against the **Insured** at the earlier of the following:

- a) when the **Insured** first receives written notice that a **claim** has been made; or
- b) when the **Insured** first receives information of specific circumstances involving a particular person or entity which could reasonably be expected to result in a **claim**.

All **claims**, including **claims** for **personal injury**, involving a single act, error or omission or a series of related acts, errors or omissions shall be deemed to be one **claim** and to be first made when the first of such **claims** is made.

### 2.3. WHEN A CLAIM IS FIRST REPORTED

A **claim** is first reported to the **Company** at the earlier of the following:

- a) when the **Company** or any of its authorized agents first receives notice from the **Insured** that a **claim** has been made; or
- b) when the **Company** or any of its authorized agents first receives notice from the **Insured** of the specific circumstances involving a particular person or entity which could reasonably be expected to result in a **claim**.

Any **claim** involving the same, related or continuing **professional services** which resulted in a **claim** prior to the first **policy** issued to the **Named Insured** by the **Company**, whether or not the **claim** was reported to any prior insurer, is not covered under this **policy**.

### 2.4. TERRITORY

This **policy** applies, subject to the terms and conditions herein, to acts, errors or omissions occurring anywhere in the world, provided that the **claim** is made and the suit is brought within the United States of America and its territories or Canada.

## SECTION 3. DEFENSE AND SETTLEMENT (INCLUDED IN LIMIT OF LIABILITY)

### 3.1. DUTY OF DEFENSE

The **Company** has the right to investigate and settle **claims** and the **Company** will defend, subject to and as part of the Limit of Liability shown in Item 4 of the Declarations, any suit seeking **damages** against the **Insured** to which this **policy** applies. Once the **Company** has paid the Limit of Liability either as **damages** or **claim expenses**:

- a) the **Company** will not be obligated to pay any further **claim**, judgment or expense; and
- b) the **Company** will not be obligated to undertake or continue the defense or investigation of any **claim** or suit.

### 3.2. CONSENT TO SETTLE

The **Company** will not settle a **claim** without the consent of the **Named Insured** and the **Named Insured** agrees to not unreasonably withhold such consent. If, however, the **Named Insured** refuses to consent to any settlement recommended by the **Company** and elects to contest the **claim** or continue legal proceedings, then the **Company's** liability for the **claim** will not exceed the amount for which the **claim** could have been settled within the applicable Limit of Liability shown in Item 4 of the Declarations, including **claim expenses** incurred with the **Company's** consent up to the date of such refusal.

### 3.3. REPRESENTATION

The **Company** has the right to select defense counsel in any suit defended by the **Company**. The **Named Insured** may request representation by a lawyer or law firm which is on the **Company's** list of approved lawyers, and such request, if reasonable, will be honored by the **Company**.

## SECTION 4. EXCLUSIONS

### 4.1. WHAT THIS POLICY DOES NOT INSURE

This **policy** does not apply to:

- a) any **claim** involving willful wrongdoing or any dishonest, criminal, malicious or fraudulent act, error or omission by any **Insured**, provided that the **Company** will defend all such allegations but will not indemnify an **Insured** for any **damages** the **Insured** is adjudged to be liable to pay because of such conduct;
- b) any **claim** made by or against any entity not named in the Declarations in which any **Insured** is a ten percent (10%) or more owner, partner, officer, director, member, principal, stockholder or employee, or which is directly or indirectly controlled, operated or managed by any **Insured**;
- c) any **claim** made against any **Insured** involving any **Insured's** activities as an owner, partner, officer, director, member, principal, stockholder or employee of an entity (other than a prior law firm) not named in the Declarations;
- d) any **claim** involving any **Insured's** activities as a public official or employee of a governmental body, subdivision or agency, except that this exclusion does not apply to any **Insured** who rendered **professional services** to a governmental body, subdivision or agency solely in the capacity of retained outside counsel;
- e) any **claim** involving any **Insured's** activities and/or capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, its amendments and any regulation or order issued pursuant thereto, except if an **Insured** is deemed to be a fiduciary solely because of legal advice rendered or that should have been rendered with respect to an employee benefit plan;
- f) any **claim** involving a violation or alleged violation of any federal or state securities law, including, but not limited to, statutes, regulations, or orders;
- g) any **claim** of any type whatsoever based upon the employment practices of any **Insured**, including but not limited to any **claim** for discrimination, harassment, wrongful termination, wrongful failure to hire or promote, or any other violation of federal or state employment laws;
- h) any **claim** for bodily injury, physical injury, sickness, disease, mental or emotional distress or death of any person, or injury to or destruction of any tangible property or loss of use resulting therefrom;
- i) any **claim** involving the rendering of or failure to render **investment advice**;
- j) any **claim** involving sexual contact or conduct or the threat of sexual contact or conduct by any **Insured**;
- k) any **claim** made against, or loss sustained by, any **Insured** as a beneficiary or distributee of any trust or estate;
- l) any **claim** made by any **Insured** against another **Insured** which does not involve **professional services** rendered or which should have been rendered by such other **Insured** to the first **Insured** in a lawyer-client relationship existing between them;
- m) any **claim** involving the liability of another person or entity that any **Insured** assumes through a written or oral agreement, provided that this exclusion shall not apply to any liability that would be imposed on the **Insured** by law in the absence of the written or oral agreement.

- n) any **claim** involving any **Insured's** activities as a Certified Public Accountant, Insurance Broker or Agent, Title Abstractor, or Real Estate Broker or Agent;
- o) any **claim** for fines, sanctions, penalties, punitive damages, exemplary damages, or any award resulting from the multiplication of compensatory damages;
- p) any **claim** involving a notarized certificate or acknowledgement of signature without the physical appearance of the signatory before any **Insured**.

## 4.2. INNOCENT INSUREDS

**4.2.1.** If a **claim** is made involving the dishonest, criminal, malicious or fraudulent act, error, or omission of an **Insured**, this **policy** will apply to any **Insured** who did not participate in, acquiesce in or fail to take appropriate action after having knowledge of such acts, errors or omissions, provided that such **Insured** complied with all **policy** provisions.

**4.2.2.** If a **claim** has been concealed from the **Company** by any **Insured**, this policy will apply to any **Insured** who has complied with all **policy** provisions and did not participate in, acquiesce in or fail to promptly notify the **Company** of such concealment.

The **Company** has the right to recover any **claim expenses** or **damages** paid under Section 4.2 from any **Insured** responsible for such dishonest, criminal, malicious or fraudulent act, error, omission, or concealment.

## SECTION 5. LIMIT OF LIABILITY

### 5.1. LIMIT OF LIABILITY - EACH CLAIM

The Each Claim limit in Item 4 of the Declarations is the most the **Company** will pay for the sum of all **damages** and **claim expenses** involving a single act, error, or omission or a series of related acts, errors or omissions, regardless of the number of **claims** made or the number of **Insureds** involved in the **claim(s)** or the number of persons or entities making the **claim(s)**.

### 5.2. LIMIT OF LIABILITY - AGGREGATE

The Aggregate limit in Item 4 of the Declarations is the most the **Company** will pay for the sum of all **damages** and **claim expenses** for all **claims** first made and reported to the **Company** during the **policy period** or during the extended reporting period, if any.

### 5.3. CLAIM EXPENSE

All **claim expenses** shall first be subtracted from the Limit of Liability shown in Item 4 of the Declarations, with the remaining limit, if any, being the amount available to pay for **damages**.

### 5.4. DEDUCTIBLE

The Deductible amount shown in Item 5 of the Declarations applies to each **claim** and in the Aggregate for the **policy period** and shall be paid by the **Named Insured**. The Deductible applies to the sum of all **damages** and **claim expenses** and is payable within 30 days of written demand. In the event the **Company** pays on behalf of an **Insured** all or part of the Deductible, the **Named Insured** shall reimburse the **Company** for the amount of the payment within thirty (30) days after written demand. The **Named Insured** agrees to pay all costs, including attorneys' fees and court costs, incurred by the **Company** in collecting any reimbursement.

## 5.5. MEDIATION

If any **claim** covered under this **policy** is resolved through the use of **formal mediation** within six months from the date it is first reported to the **Company**, the Deductible amount the **Named Insured** is obligated to pay will be reduced by fifty percent (50%), or by \$12,500, whichever is less.

## 5.6. ATTORNEY DISCIPLINE DEFENSE

**5.6.1.** The **Company** shall pay up to \$15,000 for the reasonable fees of an attorney assigned by the **Company**, or with the **Company's** written consent, to defend an **Insured** in an investigation or action by a bar association, disciplinary board or other similar entity, which may restrict or rescind the **Insured's** ability to practice as a lawyer, provided that such investigation or action:

- a) is first made against an **Insured** and reported to the **Company** or its authorized agent during the **policy period**; and
- b) involves acts, errors or omissions that first occurred on or after the **Retroactive Date**; and
- c) results from **professional services** rendered or which should have been rendered by such **Insured**; and
- d) does not involve acts, errors or omissions for which coverage is excluded by Section 4. of this **policy**.

**5.6.2.** The **Company** will not pay more than an aggregate total of \$30,000 under Section 5.6.1 regardless of the number of such investigations or actions or the number of **Insureds** subject to such investigations or actions. The **Company** reserves the right in its sole discretion to determine the priority of payment under this section. Any payments made by the **Company** under Section 5.6.1 shall be included within the Aggregate Limit in Item 4 of the Declarations.

**5.6.3.** In the event an **Insured** receives notice of such investigation or action, the **Insured** must:

- a) immediately give notice of the investigation or action to the **Company**; and
- b) forward every request, notice, summons or other communication received by the **Insured** to the **Company**.

**5.6.4.** All of the terms and conditions of this **policy** shall apply with respect to the Attorney Discipline Defense provided under Section 5.6.1, except that Section 5.6.1 is not subject to any Deductible.

## 5.7. NAMED INSURED'S REIMBURSEMENT ALLOWANCE

In addition to the applicable limit of liability, the **Company** will pay the **Named Insured**, upon written request and provision of reasonable documentation, up to \$250 per day and \$10,000 per **policy period** for the **Named Insured's** loss of earnings due to any **Insured's** attendance, at the **Company's** request, at a trial, hearing, or arbitration proceeding involving a **claim** against the **Named Insured**.

## SECTION 6. EXTENDED REPORTING PERIOD OPTION

### 6.1. LIMITED AUTOMATIC REPORTING PERIOD

This **policy** shall include an automatic sixty (60) day Reporting Period, beginning at the termination of the **policy period**, during which an **Insured** may report any **claim** that is first made against the **Insured** during the **policy period**, provided that the **claim** is based upon an act, error or omission in rendering or

failing to render **professional services** that first occurred on or after the **Retroactive Date** and prior to the termination of the **policy period**. All other terms and conditions of the **policy** apply. The **Company** will provide coverage for **claims** first reported during the automatic 60-day Reporting Period only if no other insurance policy provides coverage for such **claim**.

## 6.2. EXTENDED REPORTING PERIOD ENDORSEMENT - NAMED INSURED

The **Named Insured** may purchase an Extended Reporting Period Endorsement if this **policy** is canceled or not renewed, or if the **Company** offers renewal under terms and conditions less favorable to the **Named Insured**.

**6.2.1.** The Extended Reporting Period Endorsement applies only to **claims** otherwise covered by this **policy** which:

- a) involve acts, errors or omissions which occurred on or after the **Retroactive Date** and prior to the effective date of cancellation or the end of the **policy period**, whichever is applicable (hereinafter the "**Policy Termination Date**"); and
- b) are first made against any **Insured** and first reported to the **Company** on or after the **Policy Termination Date** and prior to the Extended Reporting Period Expiration Date shown in the Extended Reporting Period Endorsement.

**6.2.2.** The Extended Reporting Period Endorsement provides a Limit of Liability equal to that shown in Item 4 of the Declarations as of the **Policy Termination Date**. The **Company** will compute the premium for the Extended Reporting Period Endorsement in accordance with the rules in effect on the **Policy Termination Date**. At the effective date of the Extended Reporting Period Endorsement, the premium is deemed fully earned. The **Company** may not cancel the Extended Reporting Period Endorsement except for nonpayment of premium.

**6.2.3.** The **Named Insured** may purchase the Extended Reporting Period Endorsement subject to the following conditions:

- a) any premium and Deductible amounts due the **Company** must be paid by the **Named Insured**; and
- b) the **Named Insured** must notify the **Company** in writing and pay the premium due for the Extended Reporting Period Endorsement within sixty (60) days after the **Policy Termination Date**.

## 6.3. EXTENDED REPORTING PERIOD ENDORSEMENT - INDIVIDUAL

An **Insured** lawyer may purchase an Individual Extended Reporting Period Endorsement by requesting such coverage in writing within 60 days after leaving the **Named Insured** firm.

**6.3.1.** The Individual Extended Reporting Period Endorsement applies only to **claims** otherwise covered by this **policy**:

- a) involving acts, errors or omissions of the Individual **Insured** which occurred on or after the **Retroactive Date** and prior to the Individual Extended Reporting Period Effective Date shown in the Individual Extended Reporting Period Endorsement; and
- b) first made against the Individual **Insured** and first reported to the **Company** on or after the Individual Extended Reporting Period Effective Date and prior to the Extended Reporting Period Expiration Date shown in the Individual Extended Reporting Period Endorsement.

**6.3.2.** The Individual Extended Reporting Period Endorsement will provide a Limit of Liability equal to that shown in Item 4 of the Declarations as of the Individual Extended Reporting Period Effective Date. The

**Company** will compute the premium for the Individual Extended Reporting Period Endorsement in accordance with the rules in effect on the effective date of the endorsement. At the effective date of the Individual Extended Reporting Period Endorsement, the premium is deemed fully earned. The **Company** may not cancel the Individual Extended Reporting Period Endorsement except for nonpayment of premium.

**6.3.3.** An **Insured** lawyer may purchase an Individual Extended Reporting Period Endorsement by notifying the **Company** in writing and paying the premium due for the Individual Extended Reporting Period Endorsement within sixty (60) days after leaving the **Named Insured** firm.

#### **6.4. RETIREMENT, DEATH OR DISABILITY**

**6.4.1.** If an **Insured** lawyer has no other available insurance coverage, an Extended Reporting Period Endorsement providing an unlimited extended reporting period will be issued and the premium and Deductible amount shown in Item 5 of the Declarations (other than Deductible amounts billed prior to the exercise of this provision) will be waived if an **Insured** lawyer:

- a) dies; or
- b) becomes totally and permanently disabled and unable to engage in **professional services** as a result of accidental bodily injury, physical illness or disease, and not involving the abuse of intoxicants or controlled substances, as certified by a physician acceptable to the **Company**; or
- c) has been continuously insured with the **Company** for the immediately preceding four (4) years, reached the age of 55 and retired completely from the rendering of **professional services**.

**6.4.2.** The Extended Reporting Period Endorsement will provide a Limit of Liability equal to that shown in Item 4 of the Declarations as of the date that the **Insured** lawyer died, retired or became totally and permanently disabled and unable to render **professional services**.

**6.4.3.** If an Extended Reporting Period Endorsement is issued as a result of retirement or disability and the **Insured** later resumes rendering **professional services**, the **Insured** agrees to pay the **Company** 200% of the annual premium at the effective date of the Extended Reporting Period Endorsement and such premium shall be due and payable within 30 days.

### **SECTION 7. CLAIMS**

#### **7.1. NOTICE OF CLAIM**

In the event of a **claim**, the **Insured** must immediately give notice of the **claim** or other communication received by the **Insured** or his or her authorized representative to the **Company** or any authorized agent. If the **Insured** receives information of specific circumstances involving a particular person or entity which could reasonably be expected to result in a **claim**, the **Insured** shall notify the **Company** or any authorized agent as soon as practicable with the fullest information available.

#### **7.2. ASSISTANCE AND COOPERATION OF THE INSURED**

All **Insureds** must cooperate with the **Company** for purposes of investigation and defense. An **Insured's** duty to cooperate includes, but is not limited to, preparing for and attending meetings, hearings, depositions and trials, and providing documents, testimony or other evidence. An **Insured** shall not make any payment, admit any liability, waive any rights, settle any **claims**, assume any obligations or incur any expense relating to **claims** reported under this **policy** without the prior written consent of the **Company**.

### 7.3. SUBROGATION

The **Company** will be subrogated to any **Insured's** rights of recovery to the extent of any payment under this **policy**. An **Insured** will do whatever is necessary to secure such rights and will do nothing to prejudice these rights. The **Company** will not exercise any such rights to recover from any **Insured** under this **policy**, except as stated in Section 4.2.

## SECTION 8. CONDITIONS

### 8.1. ACTION AGAINST THE COMPANY

8.1.1. No action shall lie against the **Company** unless:

- a) All **Insureds** have complied in full with all of the terms of this **policy**; and
- b) The amount of all **Insureds'** obligations to pay have been finally determined by judicial disposition, including any appeals, or by written agreement of the **Named Insured**, the claimant and the **Company**.

8.1.2. No person or entity may join the **Company** as a party to any action against any **Insured** to determine any **Insured's** liability under this **policy**. Bankruptcy or insolvency of any **Insured** or any **Insured's** estate will not relieve the **Company** of any of the **Company's** obligations under this **policy**.

### 8.2. APPLICATION

This **policy** has been issued in reliance upon all information and representations made by the **Insureds** and submitted to the **Company** in connection with the application. By acceptance of this **policy** the **Named Insured** agrees:

- a) The statements in the application are personal representations of all **Insureds** for the purposes of inducing the **Company** to issue this **policy**, and the representations were true when made and remained true through such time this **policy** was issued; and
- b) This **policy** has been issued in reliance upon the truth of such representations; and
- c) This **policy** embodies all of the agreements between the **Named Insured**, the **Company** or any of the **Company's** agents.

### 8.3. CHANGES

The terms of this **policy** shall not be changed, except by written endorsement issued and duly signed by the **Company**. Any additions to or deletions from the lawyers listed in the application must be reported to the **Company** within sixty (60) days. In the event of any such changes, the **Company** reserves the right to evaluate the risk and take appropriate underwriting action in accordance with the underwriting standards in place at that time.

### 8.4. OTHER INSURANCE

If any **Insured** has another policy of insurance against a loss covered by this **policy**, the **Company** shall not be liable under this **policy** for a greater proportion of such loss than the applicable Limit of Liability shown in Item 4 of the Declarations bears to the total applicable limits of liability of all valid and collectible insurance against such loss; provided, however, with respect to acts, errors or omissions which occur prior to the **policy period**, if any **Insured** is covered by other valid and collectible insurance against a **claim** also covered by this **policy**, the **Insured** shall not be entitled to coverage under this **policy**.

## 8.5. ASSIGNMENT

No **Insured** may assign this **policy** to any other person or entity without the written consent of the **Company**.

## 8.6. CANCELLATION OR NONRENEWAL

8.6.1. This **policy** may be canceled:

- a) by the **Named Insured** at any time by mailing or delivering to the **Company** or its authorized agents advance notice of cancellation, in which case the **Company** shall refund the excess of paid premium or assessment above the pro rata rates for the expired time; or
- b) by the **Company** by mailing to the **Named Insured's** last known address, with postage fully prepaid:
  - (i) 10 days' written notice of cancellation for nonpayment of premium or Deductible; or
  - (ii) 30 days' written notice of cancellation for reasons other than nonpayment of premium; and
  - (iii) with or without tender of the excess of paid premium or assessment above the pro rata premium for the expired time.

8.6.2. The minimum earned premium shall be the pro rata premium for the expired time or \$25, whichever is greater.

8.6.3. If the **Company** decides not to renew this **policy**, the **Company** will mail written notice to the **Named Insured** at least 30 days before the expiration date. Changes in the terms available on renewal will not be considered a nonrenewal of this **policy**.

## 8.7. RENEWAL

Neither the **Company** nor the **Named Insured** has any obligation to renew this **policy**. The **Company** may offer to renew this **policy** at the terms and rates applicable at the expiration date. The **Company** will not amend the **Retroactive Date** during a period of continuous coverage.

## 8.8. CONFORMANCE TO STATUTE

The terms of this **policy** which are in conflict with the statutes of the state wherein this **policy** is issued are hereby amended to conform to such statutes.

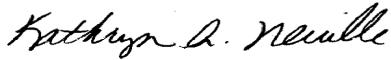
## 8.9. RISK MANAGEMENT CONSULTATION; AUDIT

The **Named Insured** agrees to allow authorized representatives of the **Company** to inspect the **Named Insured's** records for the purpose of risk management consultation and to audit any information requested by the **Company** on the **Named Insured's** application for coverage. This inspection shall occur at reasonable times, as agreed to by the **Named Insured** and the **Company** representative and shall be performed in a manner that does not breach the **Named Insured's** obligations of client confidentiality. A risk management consultation does not warrant that the **Named Insured's** practice is in compliance with any applicable statutes, rules or regulations, or professional standards, or that the practice is free from exposure to a **claim** relating to the **Named Insured's** professional liability.

**8.10. PREMIUM PAYMENT**

This **policy** shall not be effective unless the applicable premium due has been paid by the **Named Insured** and the completed application has been received by the **Company** by the Effective Date shown in Item 2 of the Declarations.

IN WITNESS WHEREOF, the **Company** has caused this **policy** to be signed by its President and Secretary, but this **policy** shall not be valid unless countersigned on the Declarations by a duly authorized representative of the **Company**, when required by law.

  
KATHRYN A. NEVILLE, J.D., CPCU  
Secretary

  
DARRYL K. THOMAS, J.D.  
President