



**PO Box 2950  
Hartford, CT 06104-2950**

April 22, 2024

ARCHITECTURE JHK, INC

Re: Important Information about **Claims Information Line**

Dear ARCHITECTURE JHK, INC

Travelers Bond & Specialty Insurance is pleased to announce its **1-800-842-8496** Claims Information Line. This line is designed to provide insureds with an additional resource on how to report claims or those circumstances or events which may become claims.

Policyholders will be able to obtain assistance on the following topics from the Claims Information Line:

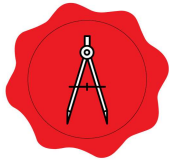
- The information that needs to be included with the claim notice
- The address, electronic mail address and/or facsimile number to which the policyholder can send claims related information
- Get questions on the claim process answered

The Declarations Page of your policy sets forth where you should report claims and claims related information. You should also review the policy's reporting requirements to be aware of how much time you have to report a claim to Travelers. The sooner Travelers is notified, the sooner we can become involved in the process and offer assistance to our policyholder. A delay in reporting may result in all or part of a matter to fall outside of the coverage provided.

The Claims Information Line should streamline the claim reporting process and allow policyholders to ask questions on what information is needed as well as other questions which will assist them in working with Travelers. While the Claims Information Line provides policyholders a valuable resource by answering questions and providing information, the line does not replace the reporting requirements contained in the Policy.

We hope this improvement to customer service is something our policyholders will find helps them understand the claim process and provides them a resource for reporting.

# Risk Management Resources for Design Professional Liability



As a Travelers Design Professional Liability policyholder, you receive access to a wealth of risk management resources and services that are specific to your profession. These innovative, value-added resources are available to you at no additional cost and include:

### The Sealed and Delivered Newsletter

This newsletter for design professionals, delivered via email three times a year, includes articles authored by Travelers claim specialists, underwriting professionals and independent defense attorneys – people who work with claims related to your profession every day. Articles include risk management tips, news from the industry, claim trends and feature our 'Ask Homer' section where you can submit a question to be answered or suggest a topic for an upcoming newsletter at [AskHomer@Travelers.com](mailto:AskHomer@Travelers.com).

### Webinar Series

Webinars for design professionals are open to all policyholders and feature defense attorneys and industry leaders who discuss a wide range of topics including historical sources of professional liability risk as well as emerging trends and issues in the profession. Announcements and registration links are delivered via email in advance of each webinar.

### Podcast Series

Podcasts for design professionals are available to all policyholders and feature discussions between claim professionals, defense attorneys and industry leaders on a wide range of topics including sources of professional liability, emerging trends and best practice tips that can help identify and manage risk. Each podcast is 15 minutes (or less) and links are delivered via email.

### Claim Studies

Based on Travelers claims experience, this library provides examples of claims typically made against design professionals along with lessons learned and potential ways those risks could have been avoided or mitigated.

### Advisory Bulletins

Authored by defense counsel, underwriting professionals and claims specialists, these advisory bulletins for design professionals provide information on a host of topics related to professional liability exposures.

### Firm Specific Presentations

For design professionals Travelers offers:

- *In-House Seminars:* For qualified firms, Travelers claims specialist may be available, upon request, to facilitate an in-house presentation.
- *Firm-Specific Webinars:* For qualified firms, Travelers claims specialist may be available, upon request, to facilitate a webinar.

## Design Professional Liability Contract Review

Travelers claim specialists offer contract review services that insureds can use to supplement their internal and legal review and to help identify common sources of professional liability such as indemnities, standard of care, warranties and certification language that may fall outside the scope of professional liability coverage. This service should be used in addition to an initial internal review using *Travelers Suggestions for Reviewing Contracts* and *Guide to Professional Service Agreements and Sample Contract*. To have Travelers review and comment on the professional liability issues in your contract, you or your broker can send the contract to your claims specialist or email us at [DesignRM@Travelers.com](mailto:DesignRM@Travelers.com).

## Pre-Claim Assistance for Potential Claims - Call us at 1.800.842.8496

A potential claim is any conduct or circumstance that might reasonably be expected to be the basis of a claim. Pre-claim assistance is valuable if you have indications of a potential claim, such as:

- A written or verbal threat to make a claim
- A realization that there may be some basis for professional negligence
- A claim filed against your client in connection with professional services you provided
- A subpoena for documents or testimony
- Your awareness of an actual or alleged error, even though no claim has been made
- When you feel sufficiently worried about a circumstance that you believe a claim may result

**Report a potential claim to Travelers at 800.842.8496 as soon as possible.** At our discretion, we will provide pre-claim assistance at no additional cost. This service covers expenses incurred in the investigation of a potential claim and is not subject to a deductible. Pre-claim assistance may help prevent a potential claim from becoming a claim, facilitate claim repair, mitigate claim exposures and help you avoid the adverse publicity associated with litigating a claim.

## Online Home for Professional Liability Risk Management

As part of your Travelers Design Professional Liability coverage you receive access to [RiskManagement.Travelers.com](https://RiskManagement.Travelers.com), and online portal that contains risk management resources that are exclusive to Travelers Professional Liability policyholders. [Discover more](#) about the valuable resources that can help design professionals identify and manage their professional liability risk such as contract guides, advisory bulletins, podcast and webinar recordings, claim studies and more.

Any questions please contact us at [AskHomer@travelers.com](mailto:AskHomer@travelers.com).



travelers.com

Travelers Casualty and Surety Company of America and its property casualty affiliates. One Tower Square, Hartford, CT 06183

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This notice provides no coverage, nor does it change any policy terms. To determine the scope of coverage and the insured's rights and duties under the policy, read the entire policy carefully. For more information about the content of this notice, the insured should contact their agent or broker. If there is any conflict between the policy and this notice, the terms of the policy prevail.

## **Independent Agent And Broker Compensation Notice**

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For information on how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: [www.travelers.com/w3c/legal/Producer\\_Compensation\\_Disclosure.html](http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html).

Or write or call:

**Travelers, Agency Compensation  
One Tower Square  
Hartford, Connecticut 06183**

**(866) 904.8348**



**DESIGN PROFESSIONALS LIABILITY COVERAGE  
DECLARATIONS**

POLICY NO. 106900285

**Travelers Casualty and Surety Company of America  
Hartford, Connecticut**  
(A Stock Insurance Company, herein called the Company)

**Important note: This is a claims-made policy. To be covered, a claim must be first made against an insured during the policy period or any applicable extended reporting period.**  
**The limit of liability available to pay settlements or judgments will be reduced by defense expenses. The deductible applies to defense expenses.**

This policy is composed of the Declarations, the Professional Liability Coverage, the Professional Liability Terms and Conditions, and any endorsements attached thereto.

<b>ITEM 1</b>	<b>NAMED INSURED:</b> ARCHITECTURE JHK, INC  DBA:
<b>ITEM 2</b>	<b>POLICY PERIOD:</b> Inception Date: April 22, 2024                      Expiration Date: April 22, 2027 12:01 A.M. standard time both dates at the Principal Address stated in ITEM 1.
<b>ITEM 3</b>	ALL NOTICES PURSUANT TO THE POLICY MUST BE SENT TO THE COMPANY BY EMAIL, FACSIMILE, OR MAIL AS SET FORTH BELOW:  Email: BS1claims@travelers.com  Fax: 1-888-460-6622  Mail: Travelers Bond & Specialty Insurance Claim P.O. Box 2989 Hartford, CT 06104-2989  Overnight Mail: Travelers Bond & Specialty Insurance Claim One Tower Square, MN06 Hartford, CT 06183  For questions related to claim reporting or handling, please call 1-800-842-8496.



<b>ITEM 9</b>	FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE: PTC-2026-1108; DPL-1001-1108; DPL-2019-0418; PTC-1001-1108; PTC-19006-0315; PTC-19007-0418; PTC-3004-1214
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**The Declarations, the Professional Liability Terms and Conditions, the Professional Liability Coverage, and any endorsements attached thereto, constitute the entire agreement between the Company and the Insured.**

\_\_\_\_\_  
Countersigned By

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its authorized officers.



President



Corporate Secretary

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NAMED INSURED CONTINUATION ENDORSEMENT**

This endorsement changes the following:

Design Professionals Liability Coverage

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**It is agreed that:**

The following is added to ITEM 1. of the DECLARATIONS:

**NAMED INSURED:**

Architecture JHK Inc

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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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Issuing Company: Travelers Casualty and Surety Company of America  
Policy Number: 106900285

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**DESIGN PROFESSIONALS LIABILITY COVERAGE**



**Important Note: This is a claims-made policy. To be covered, a claim must be first made against an Insured during the policy period or any applicable extended reporting period. The limit of liability available to pay settlements or judgments will be reduced by defense expenses. The deductible applies to defense expenses. Please read the policy carefully.**

**CONSIDERATION CLAUSE**

**IN CONSIDERATION** of the premium set forth in ITEM 7 of the Declarations, and pursuant to all the terms, exclusions, conditions and limitations of this policy, the Company and the **Insured** agree as follows:

**I. INSURING AGREEMENT**

The Company will pay on behalf of the **Insured, Damages** and **Defense Expenses** for any **Claim** first made during the **Policy Period** that is caused by a **Wrongful Act** committed on or after any applicable Retroactive Date set forth in ITEM 5 of the Declarations, provided that no **Principal Insured** on the Knowledge Date set forth in ITEM 5 of the Declarations had any basis to believe that such **Wrongful Act** might reasonably be expected to be the basis of a **Claim**.

**II. SUPPLEMENTARY PAYMENTS**

The Company will pay the following with respect to any **Claim** covered by this policy:

- A. All expenses incurred by the Company, other than **Defense Expenses**.
- B. All reasonable expenses incurred by the **Insured** at the Company's request to investigate or defend a **Claim**, provided that the maximum amount available for loss of earnings for time taken off work will not exceed:
  - 1. \$500 per **Insured Person** per day; and
  - 2. \$15,000 per **Policy Year** for all **Insured Persons**.
- C. The cost of bonds to release attachments that is within the applicable Professional Liability Coverage Limit, provided that the Company will not be the principal under any such bond and will not have any duty to furnish such bond.
- D. All costs taxed against the **Insured** on that part of a judgment the Company pays.
- E. The cost of any required appeal bond for that part of a judgment that is for **Damages** to which this policy applies, and that is within the applicable Professional Liability Coverage Limit, provided that:
  - 1. the Company consents to the appeal of such judgment; and
  - 2. the Company will not be the principal under any such bond and will not have any duty to furnish such bond.

Payment of amounts under section II. SUPPLEMENTARY PAYMENTS will not be subject to a Deductible and will not reduce the applicable Professional Liability Coverage Limits. If the Professional Services and Network and Information Security Offenses Coverage Limits are exhausted by the payment of amounts covered under this policy, the Company will have no further obligation to make payments under section II. SUPPLEMENTARY PAYMENTS.

### III. **ADDITIONAL BENEFITS**

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The Company will reimburse the **Insured** for the following:

- A. **Crisis Event Expenses** that result from a **Crisis Event** first occurring and reported to the Company during the **Policy Period**.
- B. **Disciplinary or Regulatory Proceeding Expenses** that result from a **Disciplinary or Regulatory Proceeding** first initiated and reported to the Company during the **Policy Period**.

### IV. **DEFINITIONS**

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Wherever appearing in this policy, the following words and phrases appearing in bold type will have the meanings set forth in section IV. DEFINITIONS:

- A. **Automatic Extended Reporting Period** means the period of time beginning with the effective date this policy is cancelled or not renewed, and ending:
  - 1. 60 days after such cancellation or nonrenewal takes effect; or
  - 2. the date any other policy obtained by the **Named Insured** that provides similar coverage for **Professional Services** takes effect,whichever is earlier.
- B. **Claim** means:
  - 1. a demand for money or services;
  - 2. a civil proceeding commenced by service of a complaint or similar pleading; or
  - 3. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding,against any **Insured** for a **Wrongful Act**.  
A **Claim** will be deemed to be made on the earliest date such notice thereof is received by any **Principal Insured**.
- C. **Crisis Event** means any:
  - 1. **Wrongful Act**;
  - 2. death, departure or debilitating illness of a **Principal Insured**;
  - 3. potential dissolution of the **Named Insured**;
  - 4. incident of workplace violence; or
  - 5. other event,that the **Named Insured** reasonably believes will have a material adverse effect upon the **Named Insured's** reputation.
- D. **Crisis Event Expenses** means reasonable fees, costs, and expenses incurred by the **Named Insured** for consulting services provided by a public relations firm to the **Named Insured** in response to a **Crisis Event**.
- E. **Damages** means money which an **Insured** is legally obligated to pay as settlements, judgments and compensatory damages; punitive or exemplary damages if insurable under the applicable law most favorable to the insurability of punitive or exemplary damages; or prejudgment interest and postjudgment interest.  
**Damages** does not include the following:
  - 1. Civil or criminal fines; sanctions; liquidated damages; payroll or other taxes; penalties; the multiplied portion of any multiplied damage award; equitable or injunctive relief; any return, withdrawal, restitution or reduction of professional fees, profits or other charges; or damages or types of relief deemed uninsurable under applicable law.
  - 2. **Defense Expenses**.

- F. **Defense Expenses** means reasonable and necessary fees, costs and expenses, incurred by the Company, or by the **Insured** with the Company's written consent, that result directly from the investigation, defense, settlement or appeal of a specific **Claim**, provided that **Defense Expenses** do not include any payments made pursuant to section II. SUPPLEMENTARY PAYMENTS of the **Professional Liability Coverage**.
- G. **Disciplinary or Regulatory Proceeding** means any formal administrative or regulatory proceeding by a disciplinary or regulatory official, board or agency, commenced by filing of a notice of charges, formal investigative order, service of summons or similar document, to investigate charges of professional misconduct in the performance of **Professional Services**.
- H. **Disciplinary or Regulatory Proceeding Expenses** means reasonable and necessary fees, costs and expenses incurred by any **Insured** to investigate, defend, or appeal any **Disciplinary or Regulatory Proceeding**.
- Disciplinary or Regulatory Proceeding Expenses** do not include:
1. fines, penalties or sanctions assessed against any **Insured**; or
  2. expenses, salaries, wages, benefits or overhead of, or paid to, any **Insured**.
- I. **Independent Contractor** means any natural person who performs **Professional Services** under contract with, and at the direction and control of, an **Insured**, provided that such **Professional Services** inure to the benefit of the **Named Insured**.
- J. **Insured** means any **Insured Person**, **Named Insured**, or **Predecessor Firm**.
- K. **Insured Person** means any natural person who:
1. is the sole owner of, or is or was a partner in, the **Named Insured** or **Predecessor Firm**;
  2. was or is a member of the board of managers, director, executive officer, or shareholder of the **Named Insured** or **Predecessor Firm**;
  3. was or is an employee of the **Named Insured** or **Predecessor Firm**; or
  4. was or is an **Independent Contractor**,
- provided that such person is acting within the scope of their duties on behalf of the **Named Insured** or **Predecessor Firm**.
- L. **Named Insured** means the person or entity set forth in ITEM 1 of the Declarations.
- M. **Network and Information Security Offense** means:
1. the failure to prevent the transmission of a computer virus or any other malicious code;
  2. the failure to provide any authorized user of the **Named Insured's** website, or the **Named Insured's** computer or communications network, with access to such website, or computer or communications network; or
  3. failure to prevent unauthorized access to, or use of, data containing private or confidential information of others.
- N. **Optional Extended Reporting Period** means the period of time specified in the Optional Extended Reporting Period Endorsement, beginning with the effective date this policy is cancelled or not renewed.
- O. **Personal Injury Offense** means any of the following offenses:
1. False arrest, detention or imprisonment.
  2. Malicious prosecution.
  3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies by or on behalf of its owner, landlord, or lessor, provided that the wrongful eviction, wrongful entry, or invasion of the right of private occupancy is performed by or on behalf of the owner, landlord, or lessor of that room, dwelling, or premises.

4. Oral, written, or electronic publication of material that slanders or libels a person or entity or disparages a person's or entity's goods, products, or services, provided that the **Claim** is made by a person or entity that claims to have been slandered or libeled, or whose goods, products, or services have allegedly been disparaged.
  5. Oral, written, or electronic publication of material that appropriates a person's likeness, unreasonably places a person in false light, or gives unreasonable publicity to a person's private life.
- P. **Policy Period** means the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations. In no event will the **Policy Period** continue past the effective date this policy is cancelled or not renewed.
- Q. **Policy Year** means:
1. the period of one year following the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof; or
  2. the period between the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof and the effective date this policy is cancelled or not renewed if such period is less than one year.
- R. **Potential Claim** means any conduct or circumstance that might reasonably be expected to be the basis of a **Claim**.
- S. **Pre-Claim Expenses** means reasonable fees, costs and expenses incurred by the Company in the investigation of a specific **Potential Claim**.
- T. **Predecessor Firm** means any design firm that, prior to the Inception Date set forth in Item 2 of the Declarations, is dissolved or inactive and is no longer rendering **Professional Services**, and more than 50% of such firm's assets and liabilities have been assigned, acquired or transferred to the **Insured**.
- U. **Principal Insured** means a member of the board of managers, director, executive officer, natural person partner, owner of a sole proprietorship, principal, risk manager or in-house general counsel of the **Named Insured**.
- V. **Professional Liability Coverage** means the coverage part set forth in ITEM 4 of the Declarations.
- W. **Professional Services** means only services in any of the following capacities:
1. Architect.
  2. Engineer.
  3. Land surveyor.
  4. Landscape architect.
  5. Construction manager.
  6. Scientist.
  7. Technical consultant.
- X. **Related Wrongful Acts** means **Wrongful Acts** which are logically or causally connected by reason of any fact, circumstance, situation, transaction, event, or decision.
- All **Related Wrongful Acts** are a single **Wrongful Act**, and all **Related Wrongful Acts** will be deemed to have been committed at the time the first of such **Related Wrongful Acts** was committed whether prior to or during the **Policy Period**.

- Y. **Wrongful Act** means any:
1. actual or alleged act, error, omission, or **Personal Injury Offense** in the rendering of, or failure to render, **Professional Services**; or
  2. **Network and Information Security Offense**,
- by any **Insured**, or by any person or entity, including any joint venture, for whom the **Insured** is legally liable.

## V. **EXCLUSIONS**

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### A. **Claims By An Insured Against Another Insured**

This policy does not apply to any **Claim** by any **Insured** against another **Insured**.

### B. **Claims By Certain Persons Or Entities**

This policy does not apply to any **Claim** by or on behalf of, or in the name or right of, any entity:

1. operated, controlled or managed by any **Insured**;
2. that any **Insured**, or any **Insured's** spouse, individually or collectively with one or more **Insureds**, has an ownership interest that exceeds 49%;
3. that holds the controlling financial interest in any **Insured**; or
4. that manages or operates any **Insured**.

### C. **Contract Liability**

This policy does not apply to any **Claim** based upon or arising out of liability assumed by an **Insured** under any contract or agreement, whether oral or written, except to the extent that the **Insured** would have been liable in the absence of such contract or agreement.

### D. **Cost To Repair Or Replace Faulty Workmanship**

This policy does not apply to any **Claim** based upon or arising out of the cost to repair or replace faulty workmanship in any construction, erection, fabrication, installation, assembly, manufacture or remediation performed by any **Insured**, including the cost of materials, parts or equipment furnished in connection therewith.

### E. **Criminal, Dishonest, Fraudulent Or Malicious Conduct**

This policy does not apply to any **Claim** based upon or arising out of any:

1. criminal, dishonest, fraudulent or malicious conduct; or
2. other willful violation of laws,

committed by the **Insured** or by anyone with the consent or knowledge of the **Insured**, provided that this exclusion does not apply to any **Insured Person** who did not participate in or have knowledge of such conduct or violation.

### F. **Design Or Manufacture Of Sold Or Supplied Goods Or Products**

This policy does not apply to any **Claim** based upon or arising out of the design or manufacture of goods or products which are sold or supplied by the **Insured** or by others under license from the **Insured**, provided that this exclusion will not apply to software sold or supplied by the **Insured** to its customer or client in connection with the **Insured's** provision of **Professional Services** for such customer or client.

### G. **Expected Or Intended Failure And Internet Service Interruption**

This policy does not apply to any **Claim** based upon or arising out of any **Network and Information Security Offense** that results in:

1. the failure to provide access to the **Named Insured's** website, or the **Named Insured's** computer or communications network, that was expected or intended by the **Insured**; or
2. any Internet service interruption or failure, provided that this exclusion will not apply if the interruption or failure was caused by an **Insured**.

#### **H. Government Demands Or Proceedings**

This policy does not apply to any **Claim** based upon or arising out of a **Network and Information Security Offense** and brought by:

1. the Federal Trade Commission;
2. the Federal Communications Commission; or
3. any other federal, national, state, local, or foreign government, agency, or entity,

provided that this exclusion will not apply to any **Claim** made by such entity in its capacity as a customer or client of the **Named Insured**.

#### **I. Nuclear Energy**

This policy does not apply to any **Claim** based upon or arising out of any nuclear reaction, radiation or contamination within or originating from a site where a nuclear reactor is located or where nuclear material or waste is disposed.

#### **J. Warranties Or Guarantees**

This policy does not apply to any **Claim** based upon or arising out of any express warranty or guarantee by any **Insured**, provided that this exclusion will not apply to any guarantee that the **Insured's Professional Services** conform with the generally accepted standard of care applicable to that **Professional Service**.

## **VI. CONDITIONS**

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#### **A. SETTLEMENT**

The Company may settle or compromise any **Claim** as the Company deems expedient with the consent of the **Named Insured**, such consent not to be unreasonably withheld.

#### **B. OTHER INSURANCE**

This policy will apply only as excess insurance over, and will not contribute with, any other valid and collectible insurance available to the **Insured**, including any insurance under which there is a duty to defend, unless such insurance is written specifically excess of this policy by reference in such other insurance to this policy. This policy will not be subject to the terms of any other insurance.

When such other insurance available to the **Insured** has been issued for a specific project or projects, this policy will not respond until the limit of liability of such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent, self-insured or otherwise, has been exhausted.

#### **C. DEDUCTIBLE**

The following is added to section I. DEDUCTIBLE of the Professional Liability Terms and Conditions:

If the Company and the first **Named Insured** settle a **Claim** through voluntary mediation, the first **Named Insured's** deductible obligation for such **Claim** will be reduced by 50% subject to a maximum reduction of \$25,000. Deductible payments made prior to the application of the above credit will be reimbursed within 30 days of the resolution of the **Claim**. This reduction does not apply to any **Claim** resolved through voluntary or involuntary arbitration.

**POLLUTION LIABILITY ENDORSEMENT – WITH PRIMARY OTHER INSURANCE AND VICARIOUS LIABILITY COVERAGE**

This endorsement changes the following:

**Design Professionals Liability Coverage**

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**It is agreed that:**

1. The following replaces section **IV. DEFINITIONS, J. Insured**:

**Insured** means any **Insured Person, Named Insured, Predecessor Firm, or Described Client**.

2. The following replaces section **IV. DEFINITIONS, Y. Wrongful Act**:

**Wrongful Act** means any:

1. actual or alleged act, error, omission, or **Personal Injury Offense** in the rendering of or failure to render **Professional Services**;
2. **Network and Information Security Offense**; or
3. **Pollution Incident**,

by any **Insured**, or by any person or entity, including any joint venture, for whom the **Insured** is legally liable.

3. The following are added to section **IV. DEFINITIONS**:

**Bodily injury** means harm to the physical health of other persons, including sickness or disease, mental anguish, injury, illness, emotional distress, loss of services, or death.

**Described Client** means any client of a **Named Insured**, but only for any **Claim** that is caused by a **Wrongful Act** that is a **Pollution Incident** resulting solely from the operations of the **Named Insured** or any person or entity for whom the **Named Insured** is legally liable; provided that there is a written agreement, in effect at the time of the **Pollution Incident**, requiring that such **Described Client** be named as an **Insured** in the **Named Insured's** insurance policy for **Claims** based upon or arising out of pollution.

**Hostile Fire** means a fire that becomes uncontrollable or breaks out from where it was intended to be.

**Mobile Equipment** means any of the following types of land vehicles, including attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off public roads.
2. Vehicles maintained for use solely on or next to premises the Insured owns or rents.
3. Vehicles that travel on crawler treads.
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - a. Power cranes, shovels, loaders, diggers, or drills; or
  - b. Road construction or resurfacing equipment such as graders, scrapers, or rollers.
5. Vehicles not described in 1., 2., 3., or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - a. Air compressors, pumps, and generators, including spraying, welding, building cleaning, geo-physical exploration, lighting, and well-servicing equipment; or
  - b. Cherry pickers and similar devices used to raise or lower workers.
6. Vehicles not described in 1., 2., 3., 4., or 5. above maintained primarily for purposes other than transportation of persons or cargo.

**Pollution** means any actual, alleged, or threatened discharge, dispersal, escape, migration, release, or seepage of any **Pollutant**.

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Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **106900285**

DPL-2019 Rev. 04-18

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**Pollution Incident** means any actual, alleged, or threatened discharge, dispersal, escape, migration, release, or seepage of **Pollutants** into or upon the land or structures thereupon, the atmosphere or any watercourse or body of water, which results in **Bodily Injury** or **Property Damage**.

**Pollutant** means any solid, liquid, gaseous, or thermal irritant or contaminant, including:

1. smoke, vapors, soot, fumes;
2. acids, alkalis, chemicals; and
3. waste, including materials to be recycled, reconditioned, or reclaimed.

**Pollutant** does not include smoke, vapors, soot, or fumes from a **Hostile Fire**.

**Property Damage** means:

1. physical injury to tangible property, including all resulting loss of use of such property; or
2. loss of use of tangible property that is not physically injured.

4. The following is added to section **V. EXCLUSIONS**:

**Pollution, or Ownership or Use of Automobiles, Aircraft, or Watercraft at Certain Locations**

This policy does not apply to any **Claim** based upon or arising out of any of the following on projects where the **Insured** is responsible for construction, erection, fabrication, or remediation:

1. **Pollution** at, on, in, or from any property or facilities that were at any time owned or rented by the **Insured** or by any entity in joint venture with the **Insured**.
2. Ownership, maintenance, use, operation, loading, or unloading of any automobile, aircraft, watercraft, or rolling stock, provided that this exclusion will not apply to the ownership, maintenance, use, operation, loading, or unloading of any **Mobile Equipment**.

5. The following replaces section **VI. CONDITIONS, B. OTHER INSURANCE**:

This policy will apply only as excess insurance over, and will not contribute with, any other valid and collectible insurance available to the **Insured**, including any insurance under which there is a duty to defend, unless such insurance is:

1. written specifically excess of this policy by reference in such other insurance to this policy; or
2. issued to a **Described Client**.

This policy will not be subject to the terms of any other insurance.

When such other insurance available to the **Insured** has been issued for a specific project or projects, this policy will not respond until the limit of liability of such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent, self-insured or otherwise, has been exhausted.

When such other insurance available to the **Insured** is issued to a **Described Client**, this policy will apply as primary insurance for any **Claim** covered by both this policy and such other insurance. For such **Claims**, the insurance issued to the **Described Client** will apply as excess over, and will not contribute with, the insurance available under the policy.

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Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

**PROFESSIONAL LIABILITY TERMS AND CONDITIONS**

**Important Note: This is a claims-made policy. To be covered, a claim must be first made against an Insured during the policy period or any applicable extended reporting period.**

**The limit of liability available to pay settlements or judgments will be reduced by defense expenses. The deductible applies to defense expenses.**

**Please read the policy carefully.**

These Professional Liability Terms and Conditions apply to the **Professional Liability Coverage**. If any provision in these Professional Liability Terms and Conditions is inconsistent with or in conflict with any provision of the **Professional Liability Coverage**, the provisions of the **Professional Liability Coverage** will control.

**I. DEDUCTIBLE**

The first **Named Insured** will bear uninsured the amount of any applicable Deductible.

The Company's obligation to pay **Damages** and **Defense Expenses** applies only to the amount of **Damages** and **Defense Expenses** that are in excess of the applicable Deductible for each **Claim** amount set forth in ITEM 5 of the Declarations. The Company may, at its discretion, pay all or part of any Deductible amount on behalf of the first **Named Insured**, and in such event, the first **Named Insured** agrees to repay the Company any amounts so paid.

If ITEM 5 of the Declarations indicates that a Deductible applies for all **Claims**, the **Insured's** obligation to pay **Damages** and **Defense Expenses**, for all **Claims** made during each **Policy Year** will not exceed the Deductible amount for all **Claims** set forth in ITEM 5 of the Declarations. If there is no Deductible amount shown for all **Claims**, the first **Named Insured** will be responsible for the each **Claim** amount for each and every **Claim**, without further limitation regardless of how often it applies.

**II. LIMITS**
**A. Professional Liability Coverage Limits**
**1. Professional Services and Network and Information Security Offenses Coverage Limits**

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**:

- a. the Company's maximum limit of liability for **Damages** and **Defense Expenses**, for each **Claim** made during the **Policy Year** that results from a **Network and Information Security Offense** or the rendering of, or failure to render, **Professional Services**, will not exceed the Professional Services and Network and Information Security Offenses Coverage Limits for each **Claim** set forth in ITEM 5 of the Declarations;
- b. the Company's maximum limit of liability for all **Damages** and **Defense Expenses**, for all **Claims** made during the **Policy Year** that result from a **Network and Information Security Offense** or the rendering of, or failure to render, **Professional Services**, will not exceed the Professional Services and Network and Information Security Offenses Coverage Limit for all **Claims** set forth in ITEM 5 of the Declarations; and
- c. the Company's maximum limit of liability for all **Damages** and **Defense Expenses**, for all **Claims** made during the **Automatic Extended Reporting Period** or the **Optional Reporting Period**, if applicable, that result from a **Network and Information Security Offense** or the rendering of, or failure to render, **Professional Services**, will not exceed the remaining Professional Services and Network and Information Security Offenses Coverage Limits for the last **Policy Year** in effect at the time this policy is cancelled or not renewed.

B. Additional Benefits Limits

1. Crisis Event Expenses Limits

Regardless of the number of **Crisis Events** qualifying for **Crisis Event Expenses**, or the number of persons or entities who are **Insureds**:

- a. the Company's maximum limit for **Crisis Event Expenses** for each **Crisis Event** first occurring during the **Policy Year** will not exceed the Crisis Event Expenses Limits for each **Crisis Event** set forth in ITEM 6 of the Declarations; and
- b. the Company's maximum limit for **Crisis Event Expenses** for all **Crisis Events** first occurring during the **Policy Year** will not exceed the remaining Crisis Event Expenses Limit for all **Crisis Events** set forth in ITEM 6 of the Declarations.

2. Disciplinary or Regulatory Proceeding Expenses Limits

Regardless of the number of **Disciplinary or Regulatory Proceedings** qualifying for **Disciplinary or Regulatory Proceeding Expenses**, or the number of persons or entities who are **Insureds**:

- a. the Company's maximum limit for **Disciplinary or Regulatory Proceeding Expenses** for each **Disciplinary or Regulatory Proceeding** first initiated during the **Policy Year** will not exceed the Disciplinary or Regulatory Proceeding Expenses Limits for each **Disciplinary or Regulatory Proceeding** set forth in ITEM 6 of the Declarations; and
- b. the Company's maximum limit for **Disciplinary or Regulatory Proceeding Expenses** for all **Disciplinary or Regulatory Proceedings** first initiated during the **Policy Year** will not exceed the remaining Disciplinary or Regulatory Proceeding Expenses Limit for all **Disciplinary or Regulatory Proceedings** set forth in ITEM 6 of the Declarations.

Payment of **Crisis Event Expenses** and **Disciplinary or Regulatory Proceeding Expenses** are not subject to a Deductible and do not reduce the applicable Professional Liability Coverage Limits.

C. Other Provisions

Payment of **Damages** and **Defense Expenses** will reduce and may exhaust the applicable Professional Liability Coverage Limits. In the event the amount of **Damages** or **Defense Expenses**, or a combination thereof, exceeds the portion of the applicable Professional Liability Coverage Limits remaining after prior payments of **Damages** or **Defense Expenses**, or a combination thereof, the Company's liability shall not exceed the remaining amount of the applicable Professional Liability Coverage Limits. In no event will the Company be obligated to make any payment for **Damages** or **Defense Expenses** with regard to a **Claim** made after the applicable Professional Liability Coverage Limit has been exhausted by payment or tender of **Damages**, or payment of **Defense Expenses**.

If the Professional Services and Network and Information Security Offenses Coverage Limits are exhausted by the payment of amounts covered under this policy, the premium for this policy will be deemed fully earned, all obligations of the Company will be completely fulfilled, and the Company will have no further obligations.

### III. CLAIM DEFENSE

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A. The Company has the right and duty to defend any **Claim** covered by this policy, even if the allegations are groundless, false or fraudulent, including the right to select defense counsel with respect to such **Claim**, provided that the Company is not obligated to defend or to continue to defend any **Claim** made after the applicable Professional Liability Coverage Limit is exhausted by payment of **Damages** and **Defense Expenses**.

B. The **Insured** will cooperate with the Company and, upon the Company's request:

1. assist in the defense and settlement of **Claims**;
2. assist in enforcing rights of contribution or indemnity against any person or entity which may be liable to the **Insured** because of a **Wrongful Act**; and
3. attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

#### **IV. RIGHT TO APPEAL**

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The Company has the right, but not the duty, to appeal a judgment awarded against an **Insured** in a **Claim** the Company defends.

#### **V. TRANSFER CONTROL OF DEFENSE**

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- A. Before the applicable Professional Liability Coverage Limit is exhausted by the payment of amounts covered under this policy, the **Insured** may take control of the **Claim** defense of any outstanding **Claim** previously reported to the Company, provided that the Company consents to, or a court orders, such transfer of control.
- B. If the applicable Professional Liability Coverage Limit is exhausted by the payment of amounts covered under this policy, the Company will notify the **Insured** as soon as practicable of all outstanding **Claims** the Company is defending that are subject to such limit.
- C. The Company agrees to take all steps necessary during a transfer of control of defense to the **Insured** of any outstanding **Claim** to continue that defense during such transfer. When the Company takes such steps, the **Insured** agrees that the Company does not waive or relinquish any of the Company's rights under this policy. The **Insured** also agrees to repay the reasonable expenses incurred by the Company for such steps taken after the applicable Professional Liability Coverage Limit has been exhausted.

#### **VI. PRE-CLAIM ASSISTANCE**

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At the Company's discretion, the Company will pay **Pre-Claim Expenses** for a **Potential Claim** reported in accordance with section VIII. NOTICE OF POTENTIAL CLAIMS. **Pre-Claim Expenses** must be incurred prior to the date that any **Claim** is made based upon or arising out of such **Potential Claim**. Payment of **Pre-Claim Expenses** is not subject to a Deductible and does not reduce the applicable Professional Liability Coverage Limits. Once a **Potential Claim** becomes a **Claim**, **Damages** and **Defenses Expenses** that result from such **Claim** are subject to a Deductible and will reduce the applicable Professional Liability Coverage Limits.

#### **VII. INSURED'S DUTIES IN THE EVENT OF A CLAIM**

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In the event a **Principal Insured** becomes aware that a **Claim** has been made against any **Insured**, the **Insured**, as a condition precedent to any rights under this policy, will give to the Company written notice of the particulars of such **Claim**, including all facts related to any alleged **Wrongful Act**, the identity of each person allegedly involved in or affected by such **Wrongful Act**, and the dates of the alleged events, as soon as practicable. The **Insured** will give the Company such information, assistance and cooperation as the Company may reasonably require.

All notices under this section must be sent or delivered to the Company set forth in ITEM 3 of the Declarations and are effective upon receipt. The **Insured** will not voluntarily settle any **Claim**, make any settlement offer, assume or admit any liability or, except at the **Insured's** own cost, voluntarily make any payment, pay or incur any **Defense Expenses**, or assume any obligation or incur any other expense, without the Company's prior written consent, such consent not to be unreasonably withheld. The Company will not be liable for any settlement, **Defense Expenses**, assumed obligation, or admission to which it has not consented.

#### **VIII. NOTICE OF POTENTIAL CLAIMS**

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If a **Principal Insured** becomes aware of a **Potential Claim** and gives the Company written notice during the **Policy Period** of the particulars of such **Potential Claim** including:

- A. all known facts related to the **Potential Claim**;
- B. the identity, if known, of each person allegedly involved in or affected by such **Potential Claim**;
- C. the date such persons became aware of the **Potential Claim**;

- D. the dates of the alleged events; and
- E. the reasons for anticipating a **Claim**,

any **Claim** subsequently made against any **Insured** arising out of such **Potential Claim** will be deemed to have been made on the date such notice was received by the Company.

All notices under this section must be sent or delivered to the Company set forth in ITEM 3 of the Declarations and will be effective upon receipt.

#### **IX. RELATED CLAIMS**

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All **Claims** or **Potential Claims** for **Related Wrongful Acts** will be considered as a single **Claim** or **Potential Claim**, whichever is applicable. All **Claims** or **Potential Claims** for **Related Wrongful Acts** will be deemed to have been made the date:

- A. the first of such **Claims** for **Related Wrongful Acts** was made; or
  - B. the first notice of such **Potential Claim** for **Related Wrongful Acts** was received by the Company,
- whichever is earlier.

#### **X. SUBROGATION**

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In the event of payment under this policy, the Company is subrogated to all of the **Insured's** rights of recovery against any person or organization to the extent of such payment and the **Insured** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** will do nothing to prejudice such rights.

Section X. SUBROGATION does not apply if the **Insured**, prior to the date a **Wrongful Act** is committed, has waived its right of recovery for **Damages** that result from such **Wrongful Act**.

#### **XI. RECOVERIES**

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All recoveries from third parties for payments made under this policy apply, after first deducting the costs and expenses incurred in obtaining such recovery:

- A. first, to the Company to reimburse the Company for any Deductible amount it has paid on behalf of any **Insured**;
- B. second, to the **Insured** to reimburse the **Insured** for the amount it has paid which would have been paid hereunder, but for the fact that such amount is in excess of the applicable limit hereunder;
- C. third, to the Company to reimburse the Company for the amount paid hereunder; and
- D. fourth, to the **Insured** in satisfaction of any applicable Deductible paid by the **Insured**,

provided that such recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Company's benefit.

#### **XII. ACQUISITIONS**

---

If, during the **Policy Period**, the **Named Insured** acquires or forms an entity that performs **Professional Services**, coverage will be provided for such acquired or formed entity and its respective **Insured Persons** for **Wrongful Acts** committed after the **Named Insured** acquires or forms such entity. Coverage for such entity will end 90 days after the acquisition or formation of such entity, or the end of the **Policy Year**, whichever is earlier, unless the Company has agreed to provide such coverage by endorsement.

### **XIII. SPOUSAL AND DOMESTIC PARTNER PROFESSIONAL LIABILITY COVERAGE**

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This policy applies to **Damages** and **Defense Expenses** for a **Claim** made against a person who, at the time the **Claim** is made, is a lawful spouse or a person qualifying as a domestic partner under the provisions of any applicable federal, state, or local law of an **Insured Person**, but only for a **Wrongful Act** actually or allegedly committed by the **Insured Person**, to whom the spouse is married, or who is joined with the domestic partner.

The Company has no obligation to make any payment for **Damages** or **Defense Expenses** in connection with any **Claim** made against a spouse or domestic partner of an **Insured Person** for any actual or alleged **Wrongful Act** committed by such spouse or domestic partner.

### **XIV. AUTOMATIC EXTENDED REPORTING PERIOD**

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If this policy is cancelled or not renewed, the **Automatic Extended Reporting Period** applies without additional premium effective the date such policy is cancelled or not renewed. The **Automatic Extended Reporting Period** applies to **Claims** made and reported to the Company during the **Automatic Extended Reporting Period**, but only for **Wrongful Acts** committed wholly prior to the effective date this policy is cancelled or not renewed, and which otherwise would be covered. A **Claim** made during the **Automatic Extended Reporting Period** will be deemed to have been made on the last day of the **Policy Period**.

### **XV. OPTIONAL EXTENDED REPORTING PERIOD**

---

A. If this policy is cancelled or not renewed, the **Named Insured** may give the Company written notice that it desires to purchase an Optional Extended Reporting Period Endorsement for one of the periods set forth in ITEM 8 of the Declarations. The **Optional Extended Reporting Period** applies to **Claims** made during the **Optional Extended Reporting Period**, but only for **Wrongful Acts** committed wholly prior to the effective date this policy is cancelled or not renewed and which otherwise would be covered. A **Claim** made during the **Optional Extended Reporting Period** will be deemed to have been made on:

1. the last day of the **Policy Period**; or
2. if such **Claim** had earlier been reported to the Company during the **Policy Period** as **Potential Claim**, the date notice was received by the Company of such **Potential Claim**,

whichever is earlier.

B. The premium due for the Optional Extended Reporting Period Endorsement equals the percentage set forth in ITEM 8 of the Declarations of the annualized premium for this policy, including the fully annualized amount of any additional premiums charged by the Company during the **Policy Year** prior to the date such policy is cancelled or not renewed. The entire premium for the Optional Extended Reporting Period Endorsement will be deemed fully earned at the commencement of the **Optional Extended Reporting Period**.

The **Optional Extended Reporting Period** will not take effect unless the **Named Insured** has fulfilled all other duties, and complied with all other conditions and requirements under this policy, and:

1. written notice of such election is received by the Company within 60 days of the effective date such policy is cancelled or not renewed;
2. the additional premium for the Optional Extended Reporting Period Endorsement is paid when due; and
3. full payment of the earned premium due, and repayment of any Deductible owed, is received by the Company within 60 days of the effective date such policy is cancelled or not renewed.

When the **Optional Extended Reporting Period** applies, it replaces the **Automatic Extended Reporting Period**.

## **XVI. ACTION AGAINST THE COMPANY**

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No action will lie against the Company unless, as a condition precedent thereto, there has been full compliance with all of the terms of this policy, or until the amount of the **Insured's** obligation to pay has been finally determined either by judgment against the **Insured** after actual trial, or by written agreement of the **Insured**, the claimant, and the Company.

No person or entity has any right to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor will the Company be impleaded by an **Insured** or such **Insured's** legal representative. Bankruptcy or insolvency of any **Insured** or an **Insured's** estate does not relieve the Company of any of its obligations hereunder.

## **XVII. CHANGES**

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Only the first **Named Insured** is authorized to make changes to the terms of this policy and solely with the Company's prior written consent. This policy's terms can be changed only by endorsement issued by the Company and made a part of such policy. Notice to any representative of the **Insured** or knowledge possessed by any agent or by any other person does not effect a change to any part of this policy, or estop the Company from asserting any right under the terms, exclusions, conditions and limitations of this policy, nor may the terms, exclusions, conditions and limitations hereunder be changed, except by a written endorsement to this policy issued by the Company.

## **XVIII. ASSIGNMENT**

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This policy may not be assigned or transferred, and any such attempted assignment or transfer will be void and without effect unless the Company has provided its prior written consent to such assignment or transfer.

## **XIX. MISREPRESENTATION**

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This policy may be considered void if, after the Inception Date of the **Policy Period** set forth in ITEM 2 of the Declarations, any **Principal Insured** has intentionally concealed or misrepresented any material fact or circumstance, concerning this insurance or the subject thereof, provided that section XIX. MISREPRESENTATION does not apply if such **Principal Insured** mistakenly:

- A. failed to disclose information to the Company; or
- B. mislead the Company.

## **XX. LIBERALIZATION**

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If, during the **Policy Period**, the Company makes any changes in the form of this policy that are intended to apply to all **Insureds** that have such forms as part of their policy, and by which the insurance afforded could be extended or broadened by endorsement or substitution of form without increased premium charge, then such extended or broadened insurance inures to the benefit of the **Insured** as of the date the revision or change is approved for general use by the applicable department of insurance.

## **XXI. AUTHORIZATION**

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If this policy provides coverage for more than one **Named Insured**, the first **Named Insured** set forth in Item 1 of the Declarations is the sole agent and acts on behalf of all **Insureds** with respect to:

- A. payment of premiums and deductibles;
- B. receiving any return premiums;
- C. receiving notices of cancellation, nonrenewal or change in coverage;

- D. requesting any change in coverage; or
- E. making or, if applicable, consenting to settlement or compromise of any **Claim**,

provided that nothing herein relieves any **Insured** from giving any notice to the Company that is required under this policy.

**XXII. HEADINGS**

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The titles of the various paragraphs of this policy and its endorsements are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provision to which they relate.

**XXIII. CONFORMITY TO STATUTE**

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Any part of this policy that conflicts with any requirement of statutory or regulatory law that applies is automatically amended to conform to such law.

**XXIV. LEGAL REPRESENTATIVES**

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In the event of the death, incapacity or bankruptcy of an **Insured**, any **Claim** made against the estate, heirs, legal representatives or assigns of such **Insured** are deemed to be a **Claim** made against such **Insured**. Such estate, heirs, legal representatives or assigns have all of the **Insureds** rights and duties under this policy.

**XXV. TERRITORY**

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This policy applies to **Claims** made for **Wrongful Acts** committed anywhere in the world.

## GLOBAL COVERAGE COMPLIANCE ENDORSEMENT

This endorsement changes the following:

Design Professionals Liability Coverage

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### It is agreed that:

1. The following is added to section **VI. CONDITIONS**, of the Professional Liability Coverage:

#### **SANCTIONS**

This policy will provide coverage, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose the Company or any of its affiliated or parent companies to any trade or economic sanction under any law or regulation of the United States of America or any other applicable trade or economic sanction, prohibition, or restriction.

2. The following is added to section **III. CLAIM DEFENSE**, of the Professional Liability Terms and Conditions:

In the event of a **Claim** against an **Insured** that resides or is domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, the Company will have the right and duty to defend such **Claim** as set forth in this section III. CLAIM DEFENSE, A. to the extent that doing so would not violate the laws or regulations of such country or jurisdiction.

If the Company is prohibited from defending such **Claim** against an **Insured** that resides or is domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, then the Company will have no duty to defend any such **Claim**. It will be the duty of the **Insured**, or first **Named Insured** set forth in Item 1 of the Declarations, to defend such **Claim**. The Company will reimburse the first **Named Insured** set forth in Item 1 of the Declarations for its insurable loss as measured by the **Defense Expenses** such first **Named Insured** pays on behalf of an **Insured Person** in connection with such **Claim**. The Company will have the right to participate with the first **Named Insured** or the **Insured** in the investigation, defense, and settlement, including the negotiating of a settlement of any **Claim** that appears reasonably likely to be covered in whole or in part by such policy and the selection of appropriate defense counsel to the extent that doing so would not violate the laws or regulations of such country or jurisdiction.

3. The following replaces section **XXV. CONDITIONS, A. TERRITORY**, of the Professional Liability Terms and Conditions:

#### **A. TERRITORY AND VALUATION**

1. This policy applies anywhere in the world; provided, this policy does not apply to **Damages, Defense Expenses, Crisis Event Expenses, Disciplinary or Regulatory Proceeding Expenses, or Pre-Claim Expenses** incurred by an **Insured** residing or domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, to the extent that providing this insurance would violate the laws or regulations of such country or jurisdiction.

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2. In the event an **Insured Person** incurs **Damages, Crisis Event Expenses, Disciplinary or Regulatory Proceeding Expenses, or Pre-Claim Expenses** referenced in 1. above to which this insurance would have applied, the Company will reimburse the first **Named Insured** set forth in Item 1 of the Declarations for its insurable loss as measured by such amounts that it pays to, or on behalf of such **Insured Person**. As a condition precedent to such reimbursement, or any rights under this **Policy**, the first **Named Insured** set forth in Item 1 of the Declarations must comply with the conditions of this insurance as if such **Claim** were made against any **Insured** that does not reside or is not domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance.
3. All premiums, Limits of Liability, Deductible, **Damages, Defense Expenses** and other amounts under this policy are expressed and payable in the currency of the United States. If a judgment is rendered, settlement is denominated, or another element of **Damages** under this policy is stated in a currency other than United States dollars, payment under this policy will be made in United States dollars at the rate of exchange published in *The Wall Street Journal* on the date the final judgment is reached, the amount of the settlement is agreed upon, or any other element of **Damages** is due, respectively.

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Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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

## **CLIENT DEFENSE COSTS ENDORSEMENT**

This endorsement changes the following:

Design Professionals Liability Coverage

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### **It is agreed that:**

1. The following is added to section **IV. DEFINITIONS, Damages**:

**Damages** also means money which an **Insured** is legally obligated to pay as reimbursable reasonable defense costs incurred by an **Insured's** client to defend a third-party claim against the client and that is caused by an **Insured's** act, error, or omission in the performance of **Professional Services**.

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Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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## **CALIFORNIA REQUIRED ENDORSEMENT**

This endorsement changes the following:

### **Professional Liability Terms and Conditions**

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#### **It is agreed that:**

The following sections are added to the Professional Liability Terms and Conditions:

#### **CANCELLATION**

If this policy has been in effect for 60 days or less, and is not a continuation or renewal policy, the Company may cancel for any reason during that time period by mailing or delivering notice of cancellation to the first **Named Insured** and the agent or broker of record, at least 10 days before the effective date of cancellation.

If this policy has been in effect for 60 days or more, and is not a renewal or continuous policy, the Company may cancel only for the following reasons:

1. Nonpayment of premium, including premium installments or any installment of premium from a previous policy the Company issued that was due during the current **Policy Period**;
2. Fraud or material misrepresentation committed by the **Named Insured** or any representative of the **Named Insured** in obtaining this policy or presenting a **Claim** under this policy;
3. Conviction of a crime increasing the hazard insured against;
4. Willful or grossly negligent acts or omissions that increase any hazard insured against;
5. Failure to implement or follow agreed upon loss control requirements;
6. Determination by the director of insurance that continuing or renewing this policy would put the Company in violation of state insurance laws or would jeopardize the solvency of the Company;
7. Determination by the director of insurance that any loss of or change in the Company's reinsurance affecting this policy would threaten the Company's financial position; or
8. After policy issuance or renewal, a change occurs in the risk the Company is insuring against. Provided that this will not apply to a change that was expected or foreseen by the Company when this policy was issued or if:
  - a. the **Named Insured** is an educational, religious, or other non-profit organization, as described in Section 676.10(a) of the California Insurance Code; and
  - b. The change in risk involves one or more losses caused by a hate crime, as described in Section 676.10(c) of the California Insurance Code, committed against the person or property of the **Named Insured**.

The Company may cancel this policy by mailing or delivering notice of such cancellation to the first **Named Insured** at least 10 days before the effective date of cancellation, if cancellation is for nonpayment of premium or fraud or misrepresentation. If cancellation is for any other reason, the Company will mail or deliver notice of cancellation to the

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first **Named Insured** and the agent or broker of record at least 60 days before the effective date of the cancellation. The notice will state the reason for cancellation.

The first **Named Insured** may cancel this policy by mailing or delivering written notice to the Company, or any of the Company's authorized agents, stating when, thereafter, not later than the Expiration Date set forth in ITEM 2 of the Declarations, such cancellation will be effective.

## **NONRENEWAL**

The Company will not be required to renew or continue this policy. If the Company decides not to renew or continue, notice of nonrenewal will be mailed to the first **Named Insured**, at least 60 days but not more than 120 days before the Expiration Date set forth in ITEM 2 of the Declarations. The notice will state the reason for nonrenewal.

The Company will not refuse to renew or continue this policy because of losses caused by a hate crime, as described in Section 676.10(c) of the California Insurance Code, committed against the person or property of the **Named Insured** if the **Named Insured** is an educational, religious, or other non-profit organization, as described in Section 676.10(a) of the California Insurance Code.

If the Company offers to renew or continue this policy and the first **Named Insured** does not accept the Company's offer, this policy will expire at the end of the **Policy Period**. If the Company offers to renew this policy, and the first **Named Insured** fails to pay the required premium when due, the Company will consider this to mean that the first **Named Insured** did not accept the Company's offer.

The Company will mail the notice of cancellation or nonrenewal to the last known address of the first **Named Insured** and the last known address of the agent or broker of record. A post office certificate of mailing will be sufficient proof of mailing of notice.

Mailing time must be added to the notice period as follows:

1. add 5 days when mailing to an addressee in California;
2. add 10 days for an addressee outside of California; or
3. add 20 days for an addressee outside of the United States.

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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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