

**COKINOS, BOSIEN & YOUNG
ATTORNEYS AT LAW
10999 IH-10 WEST, SUITE 800
SAN ANTONIO, TEXAS 78230**

(210) 293-8700

TELECOPIER: (210) 293-8733

TELECOPIER TRANSMITTAL FORM

Date: June 4, 2013

Sent to: Jason S. Coomer

FAX: (512) 474-1802

From: Stephanie O'Rourke / Robert M. Smith

Re: Hamilton v. Davila

File No.: 3208-192

Teletype consists of 66 page(s) including cover page

Please contact Laura A. Perez at (210) 293-8721 if any follow-up is required.

Message

Please see the attached correspondence and Defendant Daniel Davila, III's Responses to Plaintiffs' Request for Disclosure.

Important Notice

This transmission (including all attached pages) is intended only for the use of the named addressee(s), and may contain information that is privileged or exempt from disclosure under applicable law. If you are not a named addressee, you are hereby notified that any use, dissemination, distribution, or copying of this transmission is strictly prohibited. If you have received this transmission in error, please destroy all copies and notify us immediately at (210) 293-8700. Thank you.



COKINOS BOSIEN & YOUNG
Attorneys at Law

ROBERT M. SMITH
rsmith@cbylaw.com

10999 West IH-10
Suite 800
San Antonio, Texas 78230

210.293.8700
Fax: 210.293.8733
www.cbylaw.com

June 4, 2013

Via Fax (512) 474-1802
Jason S. Coomer
Law Office of Jason S. Coomer, PLLC
406 Sterzing, Second Floor
Austin, Texas 78704

Re: Cause Number D-1-GN-13-001230
*Alan L. Hamilton, Individually and as Successor Trustee of the Hamilton Family Trust and
as Independent Executor of the Estate of Maurine P. Hamilton v. Daniel Davila III*
In the 353rd Judicial District Court, Travis County, Texas

Dear Mr. Coomer:

Enclosed please find DEFENDANT DANIEL DAVILA, III'S RESPONSES TO
PLAINTIFFS' REQUEST FOR DISCLOSURE regarding the above-referenced case.

Sincerely,

COKINOS, BOSIEN & YOUNG

Robert M. Smith

/lap
3208-192\Hamilton v. Davila\Counsel - 5 Def's Resp to Plt's RFDs

Enclosure

CAUSE NO. D-1-GN-13-001230

ALAN L. HAMILTON, INDIVIDUALLY	§	IN THE DISTRICT COURT
AND AS SUCCESSOR TRUSTEE OF THE	§	
HAMILTON FAMILY TRUST AND AS	§	
INDEPENDENT EXECUTOR OF THE	§	
ESTATE OF MAURINE P. HAMILTON,	§	
PLAINTIFF	§	
VS.	§	353RD JUDICIAL DISTRICT
	§	
DANIEL DAVILA III,	§	
DEFENDANT.	§	TRAVIS COUNTY, TEXAS

DEFENDANT DANIEL DAVILA, III'S RESPONSES TO PLAINTIFFS' REQUEST FOR DISCLOSURE

TO: ALAN L. HAMILTON, INDIVIDUALLY AND AS SUCCESSOR OF THE HAMILTON FAMILY TRUST AND AS INDEPENDENT EXECUTOR OF THE ESTATE OF MAURINE P. HAMILTON
 Plaintiff, by and through his attorney of record
 Jason S. Coomer
 Law Office of Jason S. Coomer, PLLC
 406 Sterzing, Second Floor
 Austin, Texas 78704

Now comes DANIEL DAVILA, III, Defendant herein, and files this, his Responses to Plaintiffs' Request for Disclosure.

Respectfully submitted,

COKINOS, BOSIEN & YOUNG
10999 IH-10 West, Suite 800
San Antonio, Texas 78230
210-293-8700
210-293-8733 (Fax Number)

By 
STEPHANIE O'ROURKE
State Bar No. 15310800
ROBERT M. SMITH
State Bar No. 18677400

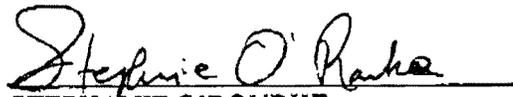
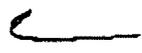
ATTORNEYS FOR DEFENDANT

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing *Defendant's Request for Disclosure to Plaintiff*, has been sent via fax on this the 4th day of June 2013, to:

Attorneys for Plaintiff

Jason S. Coomer
Law Office of Jason S. Coomer, PLLC
406 Sterzing, Second Floor
Austin, Texas 78704
Fax (512) 474-1802


STEPHANIE O'ROURKE
ROBERT M. SMITH 

DEFENDANT'S RESPONSES TO PLAINTIFFS' REQUEST FOR DISCLOSURE

- (a) The correct names of the parties to this lawsuit.

RESPONSE

Plaintiffs: Alan L. Hamilton, Individually
Alan L. Hamilton, as Successor Trustee of the Hamilton Family Trust
Alan L. Hamilton, as Independent Executor of the Estate of Maurine P.
Hamilton

Defendant: Daniel Davila, III

- (b) The name, address and telephone number of any potential parties.

RESPONSE

Based upon Plaintiffs' pleadings and complaints Plaintiffs have made to third-parties, law enforcement, and regulatory agencies, potential parties might be:

- 1) Sylvia Lynn Hamilton
9008 East Drive, No. B
Austin, Texas 78753
(512) 834-4309 Home
- 2) Wayne Gronquist, Deceased
Attorney At Law
1104 Nueces Street
Austin, Texas 78701
(512) 478-7463 Office
(512) 478-1790 Fax
wayne@waynegronquist.com

- (c) The legal theories and, in general, the factual bases of the responding party's claims or defenses.

RESPONSE

Defendant states as follows:

1) Pleading further, if such be necessary and without waving any of the other pleadings contained herein, Defendant DAVILA affirmatively asserts that Plaintiffs' damages, if any, were not caused by any act or omission on the part of Defendant DAVILA, but were caused by actions and/or

omissions of third parties over which Defendant DAVILA had no control and for which he was not responsible.

2) Pleading further, if such be necessary and without waving any of the other pleadings contained herein, Defendant DAVILA affirmatively asserts that the actions of Maurine P. Hamilton, Deceased were the sole proximate cause of the damages alleged by Plaintiffs.

3) Pleading further, if such be necessary and without waving any of the other pleadings contained herein, Defendant DAVILA would plead that Plaintiffs' claims are barred, in whole or in part, by limitations.

4) Pleading further, if such be necessary and without waving any of the other pleadings contained herein, Defendant DAVILA would plead the contributory negligence of the Plaintiffs were the cause of any alleged damages or alleged injuries sustained by Plaintiffs.

5) Pleading further, if such be necessary and without waving any of the other pleadings contained herein, Defendant DAVILA would plead that Plaintiffs are collaterally estopped.

6) Pleading further, if such be necessary and without waving any of the other pleadings contained herein, Defendant DAVILA would plead that Plaintiffs' claims are barred because MAURINE P. HAMILTON ratified the actions of her agents, and others acting on her behalf.

7) Pleading further, if such be necessary and without waving any of the other pleadings contained herein, Defendant DAVILA would plead the Statute of Frauds.

8) Pleading further, if such be necessary and without waving any of the other pleadings contained herein, Defendant DAVILA would plead the defense of Waiver.

9) Pleading further, if such be necessary and without waving any of the other pleadings contained herein, Defendant DAVILA is not liable to Plaintiffs' because the Plaintiffs' alleged injuries and damages, if any, occurred as a result of the actions and/or inactions of SYLVIA L. HAMILTON whether said actions and/or inactions constituted negligence, fraud, breach of fiduciary duties, misrepresentations and/or were criminal. As such Defendant DAVILA would designate SYLVIA L. HAMILTON as a responsible third party.

As discovery continues, Defendant reserves the right to supplement as necessary.

Defendant would deny that he is liable in the capacity in which he has been sued.

For further response, see Defendant's pleadings on file and/or to be filed in the subject cause of action.

(d) The amount and any method of calculating economic damages.

DEFENDANT'S RESPONSES TO PLAINTIFFS' REQUEST FOR DISCLOSURE

Page 5 of 16

RESPONSE

At this time, Defendant is not seeking economic damages. Furthermore, Defendant maintains that Plaintiffs are not entitled to recover any of the damages they seek from the Defendant.

- (e) The name, address, and telephone number of persons having knowledge of relevant facts, and a brief statement of each identified person's connection with the case.

RESPONSE

No	Name	Connection to case
1.	Daniel Davila, III c/o Stephanie O'Rourke Robert M. Smith COKINOS, BOSIEN & YOUNG 10999 West IH-10, Ste. 800 San Antonio, Texas 78230 (210) 293-8700 Office (210) 293-8733 Fax	Defendant.
2.	Alan L. Hamilton, Individually and As Successor Trustee of the Hamilton Family Trust and As Independent Executor of the Estate of Maurine P. Hamilton 9902 Childress Ave. Austin, Texas 78753 (512) 832-6384 Home (512) 507-8813 Work c/o Jason S. Coomer Law Office of Jason S. Coomer, PLLC 406 Sterzing, Second Floor Austin, Texas 78704 512-474-1477 Office 512-474-1802 Fax	Plaintiffs.
3.	Alan Lyle Hamilton 9902 Childress drive Austin, Texas 78753 (512) 832-6384 Home (512) 507-8813 Work ecologicalal@gmail.com	Son of Maurine P. Hamilton, Deceased and Plaintiff

4.	Sylvia Lynn Hamilton 9008 East Drive, No. B Austin, Texas 78753 (512) 834-4309 Home	Daughter of Maurine P. Hamilton, Deceased and identified by Plaintiffs in Plaintiff's Original Petition and complaints as having engaged in various acts of taking money from Maurine P. Hamilton, Deceased and/or the estate and/or trust as well as other alleged criminal actions.
5.	Marjorie Cleveland Miller 9902 Childress Ave. Austin, Texas 78753 (512) 832-6384 Home (415) 519-0907 Cell marjiemiller@gmail.com	Alan Hamilton's wife and believed to have developed the web sites; http://www.howtostealannuity.com and http://www.probitcourt.com .
6.	Hamilton Family Trust c/o Custodian of Records	Hamilton Family Trust
7.	Alfred and Maurine P. Hamilton, Revocable Living Trust c/o Custodian of Records	Alfred and Maurine P. Hamilton, Revocable Living Trust
8.	Wayne Gronquist, Deceased Attorney At Law 1104 Nueces Street Austin, Texas 78701 (512) 478-7463 Office (512) 478-1790 Fax wayne@waynegronquist.com	Former attorney of Maurine P. Hamilton, Deceased, Alan Lyle Hamilton, Sylvia Lynn Hamilton and the Estate of Maurine P. Hamilton
9.	Bonnie Park Address and telephone number unknown	Notary Public on the Durable Power of Attorney dated August 6, 2004

<p>10. FINRA (Financial Industry Regulatory Authority) One Securities Centre, Suite 500 3490 Piedmont Road, NE Atlanta, GA 30305-4808 (404) 239-6100 (404) 237-9290 Fax</p>	<p>RE: 20110259169 CC Triad Advisors, Inc. / Daniel Davila ID No. 1442381</p>
<p>11. FINRA (Financial Industry Regulatory Authority) Dexter L. McKay Examination Manager One Securities Centre, Suite 500 3490 Piedmont Road, NE Atlanta, GA 30305-4808 (404) 239-6100 (404) 237-9290 Fax</p>	<p>RE: 20110259169 CC Triad Advisors, Inc. / Daniel Davila ID No. 1442381</p>
<p>12. Peggy Rodewald, Claim Specialist United of Omaha Life Insurance Company Mutual of Omaha Plaza Omaha, Nebraska 68175 (800) 456-0227 (402) 342-7600</p>	<p>Claim Specialist Individual Life Claims for Policy numbers UA7714948 and UA 8473131</p>
<p>13. United of Omaha Life Insurance Company A Mutual of Omaha Company Fred Kottmann Regulatory Affairs Mutual of Omaha Plaza Omaha, Nebraska 68175 (800) 456-0227 (402) 342-7600</p>	<p>Re: Alan L. Hamilton's complaint to Texas Department of Insurance</p>
<p>14. Cynthia Herman United of Omaha Life Insurance Company Mutual of Omaha Plaza Omaha, Nebraska 68175 (800) 456-0227 (402) 342-7600</p>	<p>Re: Alan L. Hamilton's complaints and Maurine P. Hamilton's accounts.</p>

<p>15. Mutual of Omaha Life Insurance Company Mutual of Omaha Plaza Omaha, Nebraska 68175 (402) 342-7600</p>	<p>Policy Numbers UA7728306 UA7728307 UA7728312 UA7762551 UA8441079 UO1126221</p>
<p>16. Mutual of Omaha Life Insurance Company Mutual of Omaha Plaza Omaha, Nebraska 68175 (402) 342-7600</p>	<p>Policies on Alfred Hamilton UA7722948 UA8497367 UA8497368 Total cash value at death \$314,897.42</p>
<p>17. Marilyn K. Brown Senior Regulatory Issues Analyst Corporate Compliance & Ethics Division Mutual of Omaha Plaza Omaha, Nebraska 68175 (402) 351-5076 (402) 351-4683 Fax</p>	<p>Re: Alan L. Hamilton's complaints</p>
<p>18. Texas Department of Insurance Life, Accident & Health, Mail Code 111-1A 333 Guadalupe P.O. Box 149104 Austin, Texas 78714-9104 (800) 252-3439 (512) 475-1771 Fax</p>	<p>RE: Letter ID 1264304, Document ID 981023 Complaint by Alan Hamilton</p>
<p>19. Barbara G. Evans Consumer Protection Section, Compliance Division Texas Department of Insurance Life, Accident & Health, Mail Code 111-1A 333 Guadalupe P.O. Box 149104 Austin, Texas 78714-9104 (512) 305-7505 barbara.evans@tdi.state.tx.us</p>	<p>RE: Letter ID 1264304, Document ID 981023 Complaint by Alan Hamilton</p>

20.	Securities and Exchange Commission 100 F Street, NE Room 2736 Washington, DC 20549-2736	Complaint by Alan L. Hamilton in 2010
21.	JP Morgan Chase Bank Customer Service Center (Texas Market) P.O. Box 260171 Baton Rouge, LA 70826-0171	IRA Retirement Account number 0500000791381 Savings Account number 1834706663 Maurine P. or Sylvia Hamilton
22.	American Heritage Life Insurance Co. Long Term Care Administration 8545 - 126 th Ave. N, Suite 200 Largo, Florida 33773-1502	Maurine P. Hamilton Policy No. 70103647
23.	Yoakum National Bank 301 W. Grand Ave. P.O. Box 777 Yoakum, Texas 77995 (361) 293-5225	Account numbers 1627513 DDA [Alfred Hamilton] 1617836 DDA [Maurine P. Hamilton]
24.	Guaranty Bank P.O. Box 1149 Austin, Texas 78767 (800) 288-8822	Maurine P. Hamilton Checking Account number 0038054700, Account number 4440309567, Market Account number 3801371133
25.	Randolph Brooks Federal Credit Union P.O. Box 2097 Universal City, Texas 78148-2097	Account number 044695180000001 Maurine and Sylvia Hamilton
26.	Bank of America Military Bank 1422 E. Grayson San Antonio, Texas 78208-8000	Account number 000007475838198 Alfred / Maurine P. Hamilton Trust
27.	Jefferson National Life Insurance Co. 9920 Corporate Campus Drive, Suite 1000 Louisville, KY (800) 866-5789	Re: Alfred Hamilton

28.	USAA Federal Savings Bank 10750 W I-10 San Antonio, Texas 78288 (800) 531-8722	Re: Alfred Hamilton and/or Maurine P. Hamilton, Deceased
29.	Travis County Clerk 5501 Airport Blvd. Austin, Texas 78751 (512) 854-9188	Durable Power of Attorney
30.	Travis County Tax Collector, and/or Custodian of Records 5501 Airport Blvd. P.O. Box 1748 Austin, Texas 78767	Re: Property at Lot 1, Block Q, Windsor Village Billing No. 118478
31.	Travis County District Attorney's Office 509 W. 11 th Street Austin, Texas 78701 (512) 854-9400 (512) 854-9695 Fax	Police Case numbers 09-2460910 [Embezzlement] and 06-2790119 [Death]
32.	Austin Police Department David Rhodes, Detective 715 E. 8 th Street Austin, Texas 78701 (512) 974-5000	Police Case numbers 09-2460910 [Embezzlement] and 06-2790119 [Death]
33.	Austin Police Department Officer Domingo Rodriguez (AP5667) 715 E. 8 th Street Austin, Texas 78701 (512) 974-5000	Dispatched to respond to call regarding death of Maurine P. Hamilton.
34.	Austin Police Department Officer Gregory Cortez (AP5621) 715 E. 8 th Street Austin, Texas 78701 (512) 974-5000	Arrived at the scene and assisted Officer Domingo Rodriguez.

35.	Austin Police Department Detective Morrill (AP #1522) 715 E. 8 th Street Austin, Texas 78701 (512) 974-5000	On call detective the evening of Maurine P. Hamilton's death.
36.	Austin Police Department Timothy Diven (AP#4417) 715 E. 8 th Street Austin, Texas 78701 (512) 974-5000	Austin police detective re: complaint of Alan P. Hamilton Police case number 09-2460910
37.	Austin Police Department Detective Billy Petty 715 E. 8 th Street Austin, Texas 78701 (512) 974-5000 (512) 854-9808	Austin police detective re: complaint of Alan P. Hamilton Police case number 06-2790119
38.	Austin Police Department Matthew Edwards Jones (AP#4494) 715 E. 8 th Street Austin, Texas 78701 (512) 974-5000	Austin police detective re: complaint of Alan P. Hamilton Police case number 2460910
39.	Austin Police Department - Victim Services Veronica Vargas (#5004) 715 E. 8 th Street Austin, Texas 78701 (512) 974-5000	Crisis team counselor who assisted Sylvia L. Hamilton at the scene on the evening of Maurine P. Hamilton's death.
40.	Austin Fire Department Austin Fire Department Engine 23 Ed Scotty #327 Nick Villanueva #1893 James Rae #1262 Aaron Brooks #1671 1330 E. Rundberg Lane Austin, Texas 78753	Dispatched to respond to call regarding death of Maurine P. Hamilton.

41.	Austin-Travis County EMS Medic 1302 N. Monson #2109 S. Jensen #2168	Dispatched to respond to call regarding death of Maurine P. Hamilton.
42.	Travis County Medical Examiner's Office Dan Jackson (ME 08) 1213 Sabine Street Austin, Texas 78701 (512) 854-9599	On call Medical Examiner the evening of Maurine P. Hamilton's death.
43.	David Dolinak, M.D. P.O. Box 1748 Austin, Texas 78767	Chief Medical Examiner - Certified cause of death of Maurine P. Hamilton on Death Certificate No. S393441 dated October 17, 2006
44.	Dr. Racht Address and telephone number unknown	On call Doctor for Austin-Travis County EMS / pronounced Maurine P. Hamilton, deceased.
45.	Dr. Paul Stoufflet Address unknown (512) 459-5204	Believed to have been Maurine P. Hamilton's doctor at the time of death.
46.	Dr. Desosa Address and telephone number unknown	Believed to be Doctor with Maurine P. Hamilton's home healthcare.
47.	All Faiths Funeral Services Sara Banzhaf 8507 N. IH-35 Austin, Texas 78753	Funeral facility handing the remains of Maurine P. Hamilton, Deceased
48.	Adult Protective Services a/k/a Texas Department of Family & Protective Services 14000 Summit Drive Austin, Texas 78728 (512) 834-3301	Alan L. Hamilton allegedly visited in May 2006 regarding Maurine P. Hamilton

49.	Gina Androw Address and telephone number unknown	Friend of Sylvia L. Hamilton who came to the residence to assist and pray with Sylvia L. Hamilton on the evening of Maurine P. Hamilton's death.
50.	Brian Dudley Address and telephone number unknown	Insurance agent that sold multiple life insurance policies to Maurine P. Hamilton
51.	IRS Whistleblower Attorney [Identity unknown]	Allegedly contacted by Alan L. Hamilton and Marjorie C. Miller in March 2010.
52.	Bradley Seals Attorney At Law 4611 Madrona Austin, Texas 78731 (512) 422-4156	Involvement unknown at this time. Referred to by Alan L. Hamilton.
53.	Cameron Milzer Address and telephone number unknown	Believed to have been a beneficiary of Maurine P. Hamilton, Deceased.
54.	Scott Milzer Address and telephone number unknown	Believed to have been a beneficiary of Maurine P. Hamilton, Deceased.

In addition, Defendant identifies and incorporates in this response any and all persons identified by other parties as persons having knowledge of relevant facts, any and all witnesses named or identified in discovery and/or depositions and all custodians of business records of any entity identified. As discovery is continuing, Defendant reserves the right to supplement this response in accordance with the Texas Rules of Civil Procedure.

(f) For any testifying expert:

- (1) the expert's name, address and telephone number;
- (2) the subject matter on which the expert will testify;
- (3) the general substance of the expert's mental impressions and opinions and a brief summary of the basis for them, or if the expert is not retained by, employed by, or otherwise subject to the control of the responding party, documents reflecting such information;

- (4) if the expert is retained by, employed by, or otherwise subject to the control of the responding party:
 - (A) all documents, tangible things, reports, models, or data compilations that have been provided to, reviewed by, or prepared by or for the expert in anticipation of the expert's testimony; and
 - (B) the expert's current resume and bibliography.

RESPONSE

Defendant has not retained any experts at this time. This response will be supplemented in accordance with the Texas Rules of Civil Procedure and/or any Scheduling Order or Docket Control Order entered in this matter.

Defendant will rely upon the pleadings on file in this cause; all documents and tangible things produced by the parties in response to all discovery requests; depositions and any exhibits attached thereto.

- (g) Any indemnity and insuring agreements described in Rule 192.3(f).

RESPONSE

See Philadelphia Indemnity Insurance Company Policy Number PHSD776074 attached hereto and Bates Labeled DAVILA 000001 through DAVILA 000048.

- (h) Any settlement agreements described in Rule 192.3(g).

RESPONSE

None.

- (i) Any witness statements described in Rule 192.3(h).

RESPONSE

None known at this time.

- (j) in a suit alleging physical or mental injury and damages from the occurrence that is the subject of the case, all medical records and bills that are reasonably related to the injuries or damages asserted or, in lieu thereof, an authorization permitting the disclosure of such medical records and bills.

RESPONSE

None.

- (k) in a suit alleging physical or mental injury and damages from the occurrence that is the subject of the case, all medical records and bills obtained by the responding party by virtue of an authorization furnished by the requesting party.

RESPONSE

None.

- (l) the name, address, and telephone number of any person who may be designated as a responsible third party.

RESPONSE

- 1) Sylvia Lynn Hamilton
9008 East Drive, No. B
Austin, Texas 78753
(512) 834-4309 Home

- 2) Wayne Gronquist, Deceased
Attorney At Law
1104 Nueces Street
Austin, Texas 78701
(512) 478-7463 Office
(512) 478-1790 Fax
wayne@waynegronquist.com



PHILADELPHIA INSURANCE COMPANIES

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004
610.617.7900 • Fax 610.617.7940 • PHLY.com

08/31/2012

Davila, Buschhorn & Associates, PC
7207 McNeil Dr
Austin, TX 78729-7610

Re: PHSD776074

Dear Valued Customer:

Thank you very much for choosing Philadelphia Insurance Companies (PHLY) for your insurance needs. Our first class customer service, national presence and A++ (Superior) A.M. Best financial strength rating have made us the selection by over 150,000 policyholders nationwide. I realize you have a choice in insurance companies and truly appreciate your business.

I wish you much success this year and look forward to building a mutually beneficial business partnership which will prosper for years to come. Welcome to PHLY and please visit PHLY.com to learn more about our Company!

Sincerely,

Sean S. Sweeney
President
Philadelphia Insurance Companies

SSS/sm



PHILADELPHIA
INSURANCE COMPANIES

Member of the Tokio Marine Group

Making Things Easier for You!

PHLY CUSTOMER SERVICE

Did you know...

- PHLY has a dedicated National Processing Center to efficiently and effectively process endorsements
- The Loss Assistance Hotline provides Management & Professional Liability policyholders with 2 FREE HOURS of legal consultation with knowledgeable attorneys on any matter that could potentially result in a claim under a PHLY policy
- You can review billing and payment history online
For example: Payment verifications go to My PHLY on PHLY.com
- You can pull up and print your invoices and policy documents online
- You can update your profile online
For example: Billing address changes and contact information
- We offer live help within seconds. No complicated phone systems
- 97.3% of our policyholders would refer us to prospective customers*
- 48 hour turnaround time on small business quotes and policy issuance in less than 10 days
- We provide interest free installments for accounts that generate at least \$2,000 in premium

Frequently Asked Questions

How can I get information about my insurance?

There are 5 different ways to contact Customer Service

- Customer Service 877.438.7459
- Customer Service Fax 866.847.4046
- Customer Service Email: custserv@phlyins.com
- Customer Service Online chat
- PHLY.com - "Contact Us"

When can I contact Customer Service?

Customer Service is available Monday - Friday 8:30 am - 8:00 pm EST

What forms of payment does PHLY accept?

PHLY accepts 3 forms of payment:

- Checks sent to the lock box
- Check by phone payments through our IVR (877.438.7459 - Option 1), web site, or contact center representatives
- Credit card payments through our live contact center representatives (Visa, MasterCard and American Express)

A Passion for Service!

Philadelphia Insurance Companies is the marketing name for the insurance company subsidiaries of the Philadelphia Consolidated Holding Corp., a Member of the Tokio Marine Group. Coverages described may not be available in all states and are subject to Underwriting and certain coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. © 2007-2011 Philadelphia Insurance Companies. All Rights Reserved.

*All statistics contained herein were generated via an internal company survey of active policy holders.



Claims

- Average policyholder first party automobile losses settled in 10 days or less
- Same or next business day acknowledgements of newly reported and opened claims
- Claims representation nationally, with Commercial Liability Claims Examiner Niche expertise
- 24/7 Claims Service. Staff efficiencies with paperless and industry leading systems
- Staff of Subrogation and Recovery Examiners exclusively dedicated to recovery efforts for policyholder paid losses
- Experienced, consistent staff and department structure

Loss Control

- Product specific webbased loss control solutions through PHLY.com
- Free online interactive Defensive Driver Training course and examination
- Regular e-flyer communications on current loss Control issues and large loss lessons learned
- Strategic partnership with best in class vendor for discounted background & motor vehicle record (MVR) checks

Automatically included on most accounts

PHLY Bell endorsement - Includes \$50,000 limits each for Business Travel Accident Benefit, Donation Assurance, Emergency Real Estate Consulting Fee, Identity Theft Expense, Image Restoration and Counseling, Key Individual Replacement Expenses, Kidnap Expense, Terrorism Travel Reimbursement, Workplace Violence Counseling. \$25,000 limits for each Conference Cancellation, Fundraising Event Blackout, Political Unrest (\$5,000 per employee), Temporary Meeting Space Reimbursement and \$1,500 Travel Delay Reimbursement.

Honors, Awards and Ratings

- Nationally recognized as a member of Ward's Top 50 Benchmark group of Property/Casualty Insurance companies for outstanding achievement in the areas of financial strength, claims performance and consistently favorable underwriting results
- Forbes Magazine has recognized Philadelphia Insurance Companies as one of the 400 Best Big Companies in America
- A++ (Superior) rated by A.M. Best Company
- A+ rated by Standard & Poor's for counterparty credit and financial strength
- Business Insurance's Best Places to Work in Insurance program identifies and recognizes Philadelphia Insurance Companies as a high-quality workplaces in the commercial insurance industry.

DAVILA 000002



PHILADELPHIA
INSURANCE COMPANIES

The Bell for the Business World

Bell Endorsement & Crisis Management

PHLY HAS INCREASED LIMITS...

PHLY has increased limits on Bell Endorsement and created a Crisis Management Endorsement that will be attached to our policies.

Bell Endorsement

\$50,000 Identity Theft Expense – coverage which reimburses the expenses of any director or officer who becomes a victim of an incident of identity theft.

\$50,000 Terrorism Travel Reimbursement – which covers any director or officer for emergency travel expenses that he or she incurs in the event of a "certified act of terrorism".

\$50,000 Emergency Real Estate Consulting Fee – coverage for realtor's fee or real estate consultant's fee necessitated by the Insured's need to relocate due to the "Unforeseeable destruction" of the Insured's principal location.

\$25,000 Temporary Meeting Space Reimbursement – coverage for rental of meeting space which is necessitated by the temporary unavailability of the Insured's primary office space due to the failure of a climate control system, or leakage of a hot water heater.

\$50,000 Workplace Violence Counseling – in the event that a violent incident occurs at any of the Insured's premises.

\$50,000 Kidnap Expense – coverage for reasonable fees incurred as a result of the kidnapping of a Director or Officer or their spouse, "domestic partner," parent or child.

\$50,000 Key Individual Replacement Expenses – coverage for the Chief Executive Officer or Executive Director who suffers an "injury" which results in the loss of life. No deductible applies to this coverage.

\$50,000 Image Restoration and Counseling – coverage for image restoration and counseling arising out of "Improper Acts."

\$50,000 Donation Assurance – coverage for "Failed Donation Claim(s)."

\$50,000 Business Travel – coverage for Business Travel Accidental Death Benefit to the Named Insured if a Director or Officer suffers an "injury" while traveling on a common carrier for business.

\$25,000 Conference Cancellation – coverage for any business-related conference expenses, paid by the insured and not otherwise reimbursed, for a canceled conference that an employee was scheduled to attend. The cancellation must be due directly to a "natural catastrophe" or a "communicable disease" outbreak that forces the cancellation of the conference.

\$25,000 Fundraising Event Blackout – coverage for expenses that are incurred due to the cancellation of a fundraising event caused by the lack of electric supply resulting in a power outage, provided the fundraising event is not re-scheduled. The fundraising event must have been planned at least thirty (30) days prior to the power outage.

\$5,000 per employee; \$25,000 policy limit Political Unrest – coverage to reimburse any present director, officer, employee or volunteer of the named Insured while traveling outside the United States of America for "emergency evacuation expenses" that are incurred as a result of an incident of "political unrest."

\$1,500 Travel Delay Reimbursement – coverage to reimburse any present director or officer of the named Insured for any "non-reimbursable expenses" they incur as a result of the cancellation of any regularly scheduled business travel on a common carrier.

Crisis Management

\$25,000 Crisis Management – coverage for "crisis management emergency response expenses" incurred because of an "incident" giving rise to a "crisis."

Philadelphia Insurance Companies is the marketing name for the insurance company subsidiaries of the Philadelphia Commercial Holding Corp., a member of the Tokio Marine Group. Your insurance policy, and not the information contained in this document, forms the contract between you and your insurance company. If there is a discrepancy or conflict between the information contained herein and your policy, your policy rules prevail. All coverages are not available in all states due to state insurance regulations. Certain coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and therefore are therefore not protected by such funds. | © 2011-2012 Philadelphia Insurance Companies. All Rights Reserved.



DAVILA 000003



PHILADELPHIA
INSURANCE COMPANIES

A member of the TMC Insurance Group

LOSS CONTROL

PHLY LOSS CONTROL SERVICES

Welcome to PHLY Loss Control Services. PHLY is familiar with the unique Loss Control programming needs of your organization and has achieved superior results in this area. We are committed to delivering quality and timely loss prevention services and risk control products to your organization. Customer satisfaction through the delivery of these professional products to achieve measurable risk improvement results is our goal. We know the fulfillment of our Loss Control commitment is not complete until we deliver upon our promises.

OUR MISSION: We welcome the opportunity to demonstrate how we can tailor a risk management program suitable to our customer's needs. We are committed to providing our customers with improved communications, quicker implementation of loss control servicing initiatives, and specific benchmarking goals that help us quantify the true value of our services.

OUR MOTTO: "Innovative Services Producing Optimum Results." This mantra reflects our commitment to utilize innovative products and solutions to help our customers achieve measurable results. Customer satisfaction through the delivery of these quality professional products is our goal. We know the fulfillment of our loss control commitment is not complete until we deliver upon our promises.

In order to gain full access to these resources and others, please take a moment to register on our website. If you already have an id to PHLY.com, please login to access loss control resources.

Risk Management Resources

- IntelliCorp Records, Inc.
- Accountants Resources
- WEMED Loss Assistance Hotline
- in2vale, Webenabled EPL (employment practices liability insurance) Risk Management Services

Proprietary Risk Management Services

- PHLY Loss Control E-Tools
- Responding to Loss Control Recommendations

Contact

- For more information please contact: Customer Service

800.873.4552

IMPORTANT NOTICE: The information and suggestions presented by Philadelphia Indemnity Insurance Company in this brochure is for your consideration in your loss prevention efforts. They are not intended to be complete or definitive in identifying all hazards associated with your business, preventing workplace accidents, or complying with any safety-related codes, laws, or regulations. You are encouraged to alter them to fit the specific hazards of your business and to have your legal counsel review all of your plans and company policies.

Philadelphia Insurance Companies is the marketing name for the insurance company subsidiaries of the Philadelphia Consolidated Holding Corp., a Member of the TMC Marine Group. Your insurance policy and other information contained in this document forms the contract between you and your insurance company. If there is a discrepancy or conflict between the information contained herein and your policy, your policy takes precedence. All coverages are not available in all states due to state insurance regulations. Certain coverages may be provided by a surplus lines broker. Surplus lines brokers do not generally participate in state guaranty funds and insureds do not receive coverage by such funds. | © 2007-2012 Philadelphia Insurance Companies. All rights reserved.



DAVILA 000004



PHILADELPHIA
INSURANCE COMPANIES

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

Philadelphia Indemnity Insurance Company

Commercial Lines Policy

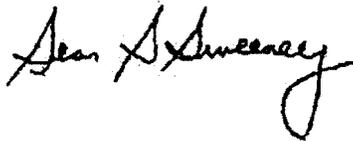
THIS POLICY CONSISTS OF:

- DECLARATIONS
- COMMON POLICY CONDITIONS
- ONE OR MORE COVERAGE PARTS. A COVERAGE PART CONSISTS OF:
 - ONE OR MORE COVERAGE FORMS
 - APPLICABLE FORMS AND ENDORSEMENTS

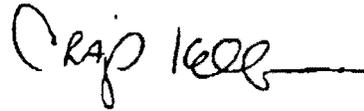
BLIP-190-1 (12-98)

DAVILA 000005

IN WITNESS WHEREOF, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



President



Secretary

BJP-190-1 (12-68)

DAVILA 000006



LOSS CONTROL

POLICYHOLDER NOTICE (LOSS ASSISTANCE HOTLINE)

As a free loss control benefit to its policyholders, PHLY has partnered with nationally recognized law firm Wilson, Elser, Moskowitz, Edelman & Dicker LLP (WEMED), to offer a toll-free Loss Assistance Hotline. The telephone number is 877.742.2201 or you can contact a WEMED attorney online at: apps.wilsonelser.com/pic/. This hotline provides you with 2 free hours of legal consultation with a knowledgeable attorney on any matter that you feel could result in a Claim under your professional or management liability policy. The Loss Assistance Hotline is NOT a Claim reporting service. To report a Claim, follow the Claim reporting instructions in your policy and also notify your insurance agent. If you have any questions concerning the Loss Assistance Hotline, please contact us at 800.759.4961 x2967.



800.873.4552

Philadelphia Insurance Companies is the marketing name for the insurance company subsidiaries of the Philadelphia Consolidated Holding Corp., a Member of the Tokio Marine Group. Coverage(s) described may not be available in all states and are subject to Underwriting and certain coverage(s) may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds.

© 2011 Philadelphia Insurance Companies



DAVILA 000007

PI-Notice-TX (07-07)

IMPORTANT NOTICE

AVISO IMPORTANTE

To obtain information or make a complaint:

Para obtener informacion o para someter una queja:

1 You may call Philadelphia Indemnity Insurance Company's toll-free telephone number for information or to make a complaint at:

Usted puede llamar al numero de telefono gratis de Philadelphia Indemnity Insurance Company's para informacion o para someter una queja al:

1-877-438-7459

1-877-438-7459

2 You may also write to Philadelphia Indemnity Insurance Company at:

Usted tambien puede escribir a Philadelphia Indemnity Insurance Company:

One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004
FAX # (810) 817-7940

One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004
FAX # (610) 617-7940

3 You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1-800-252-3439

1-800-252-3439

4 You may write the Texas Department of Insurance:

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us

5 PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact Philadelphia Indemnity Insurance Company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concierne a su prima o a un reclamo, debe comunicarse con el Philadelphia Indemnity Insurance Company primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

6 ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.



**PHILADELPHIA
INSURANCE COMPANIES**

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

**Philadelphia Indemnity Insurance Company
COMMON POLICY DECLARATIONS**

Policy Number: PHSD776074

Named Insured and Mailing Address:
Davila, Buschhorn & Associates, PC
7207 McNeil Dr
Austin, TX 78729-7610

Producer: 107670
McGowan, Donnelly & Oberheu - MDO
106 E 6th St Ste 520
Austin, TX 78701

Policy Period From: 09/01/2012 **To:** 09/01/2013

at 12:01 A.M. Standard Time at your mailing
address shown above.

Business Description: CPA

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS
POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS
INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Commercial Property Coverage Part	
Commercial General Liability Coverage Part	
Commercial Crime Coverage Part	
Commercial Inland Marine Coverage Part	
Commercial Auto Coverage Part	
Businessowners	
Workers Compensation	
Accountants	16,996.00
Total	\$ 16,996.00

FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY AT THE TIME OF ISSUE
Refer To Forms Schedule

*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations

CPD- PIIC (01/07)

Countersignature Date

Authorized Representative

DAVILA 000009

Philadelphia Indemnity Insurance Company

Form Schedule – Policy

Policy Number: PHSD776074

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
CSNotice-1	1011	Making Things Easier
BJP-190-1	1298	Commercial Lines Policy Jacket
LAH-Notice	0211	Policyholder Notice (Loss Assistance Hotline)
PI-Notice-TX	0707	Important Notice
CPD-PIIC	0107	Common Policy Declarations
Additional Insured Schedule	0100	Additional Insured Schedule
PP 0701	0701	Privacy Policy Notice
ILO985	0108	Disclosure Pursuant to Terrorism Risk Ins Act of 2002
PI-LCN-TX	0703	Texas Policyholder Notice

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHSD776074

Additional Insured

Texas Lottery Commission

PI-ACT-9 - Accountants

Philadelphia Indemnity Insurance Company**Form Schedule – Accountants****Policy Number: PHSD776074****Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:**

Form	Edition	Description
PI-ACT-1	1197	Accountants Professional Liability Insurance Policy
PI-ACT-9	1203	Additional Insured Endorsement
PI-ACT-12	1197	Aggregate Deductible Endorsement
PI-ACT-20	1197	Prior and Pending Litigation Endorsement
PI-ACT-21	1197	Retroactive Date Endorsement
PI-ACT-25	1197	Mediation Incentive
PI-ACT-26	1202	Pro-Pak Elite Coverage Enhancement
PI-ACT-33	0804	Personal Financial Planner Extension
PI-ACT-1954	1197	Accountants Professional Liability Insurance Policy
PI-ARB-1	0403	Binding Arbitration
PI-BELL-1 TX	1109	Bell Endorsement
PI-CME-1	1009	Crisis Management Enhancement Endorsement

PHILADELPHIA INSURANCE COMPANIES

PRIVACY POLICY NOTICE

Philadelphia Insurance Company & Philadelphia Indemnity Insurance Company

The Philadelphia Insurance Companies values your privacy and we are committed to protecting personal information that we collect during the course of our business relationship.

The collection, use and disclosure of certain nonpublic personal information are regulated by law.

This notice is for your information only and requires no action on your part. It will inform you about the types of information we collect and how it may be disclosed. This does not reflect a change in the way we do business or handle your information.

Information We Collect:

We collect personal information about you from the following sources:

- Applications or other forms such as claims forms or underwriting questionnaires completed by you;
- Information about your transactions with us, our affiliates or others; and
- Depending on the type of transaction you are conducting with us, information may be collected from consumer reporting agencies, health care providers, employers and other third parties.

Information We Disclose:

We will only disclose the information described above, as permitted by law, to our affiliates and non-affiliated third parties when necessary to conduct our normal business activities.

For example, we may make disclosures to the following types of third parties:

- Your agent or broker;
- Parties who perform a business, professional or insurance function for our company, including our reinsurance companies;
- Independent claims adjusters, investigators, other insurers, medical care institutions and attorneys who need the information to investigate, defend or settle a claim involving you;
- Insurance regulatory agencies in connection with the regulation of our business; and
- Lienholders, mortgagees, lessors or other persons shown on our records as having legal or beneficial interest in your policy.

We do not sell your information to others for marketing purposes.

We do not disclose the personal information of persons who have ceased to be our customers.

Protection of Information:

The Philadelphia Insurance Companies maintains physical, electronic and procedural safeguards that comply with state and federal regulations to protect the confidentiality of your personal information. We also limit employee access to personally identifiable information to those with a business reason for knowing such information.

How to Contact Us:

Feel free to call or write to us for additional information.

Philadelphia Insurance Companies
One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
(877)-438-7459

PI-LCN-TX (07/03)

TEXAS POLICYHOLDER NOTICE

The Philadelphia Indemnity Insurance Company (PIIC) has recently bound your commercial auto, general liability, or professional liability insurance policy. We look forward to serving both your underwriting and loss control needs and expectations while being insured with Philadelphia Insurance Company.

Philadelphia Indemnity Insurance Company is required to inform its policyholders of certain risk management services available as required under provisions of Articles 5.06-4, 5.15-2,3 of the Texas Insurance Code (TIC). These services include loss control surveys, location specific risk assessments and consultations, recommendation reporting, technical loss control training materials, and on-site safety training. In addition, the risk management program includes guidelines for the following areas:

- A. Safety Measures, including, as applicable, the following areas:
 - 1. Fleet and general liability safety practices
 - 2. Accidental occurrences
 - 3. Fire hazards and fire prevention and detection
 - 4. Liability for acts from the course of business
 - 5. Slip and fall hazards
 - 6. Product Injury
 - 7. Hazards unique to a particular class of policyholders
- B. Insured training in safety management techniques
- C. Safety management counseling services

Additional safety and risk management information is also available from PIIC via email or the internet (www.losscontrol.com).

If you would like more information about the following services, please call the PIIC Loss Control Department at (800) 873-4552 ext. 7717. If you have any questions about this requirement, you may call the Texas Department of Insurance at 800 578-4677.

PI-ACT-9 (12/03)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

ACCOUNTANTS PROFESSIONAL LIABILITY POLICY

DEFINITIONS, item **VI. "INSURED"** will also mean:

E. The following entity:

Texas Lottery Commission

Coverage available under this Item E. does not expand the definition of **"PROFESSIONAL SERVICES"** (**DEFINITIONS** item **X.**).

All other terms and provisions remain unchanged.

PI-ACT-12 (11-87)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AGGREGATE DEDUCTIBLE

This endorsement modifies insurance provided under the following:

ACCOUNTANTS PROFESSIONAL LIABILITY POLICY

In consideration of the premium paid, it is agreed that the Policy is amended as follows:

Item 3. of the Declarations, Deductible, is replaced in its entirety by the following:

- 3. DEDUCTIBLE
- \$ 5,000 aggregate

For the purposes of this endorsement, the Limits of Liability and Deductible Section, is amended to include the following:

The maximum the NAMED INSURED shall pay for all CLAIMS and CLAIM EXPENSES shall not exceed the amount stated as "aggregate" in Item 3 above.

All other terms and conditions of this Policy remain unchanged.

PI-ACT-20 (11-97)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIOR AND PENDING LITIGATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

ACCOUNTANTS PROFESSIONAL LIABILITY POLICY

In consideration of the premium paid, it is hereby understood and agreed that the Company shall not be obligated to defend or indemnify an Insured for, and this insurance does not apply:

To any CLAIM based upon or arising out of any demand, suit or proceeding pending, or order, decree, settlement or judgment entered against the NAMED INSURED as of 09/01/2000 , or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation.

All other terms and conditions of this Policy remain unchanged.

PI-ACT-21 (11-97)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RETROACTIVE DATE ENDORSEMENT

This endorsement modifies insurance provided under the following:

ACCOUNTANTS PROFESSIONAL LIABILITY POLICY

In consideration of the premium paid, it is agreed that this Policy shall not apply to any CLAIM made against the NAMED INSURED based upon, arising out of, or in any way involving a WRONGFUL ACT committed, or alleged to have been committed prior to 09/01/2000 .

All other terms and conditions of this Policy remain unchanged.

PI-ACT-25 (11-97)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MEDIATION INCENTIVE

This Endorsement modifies insurance provided under the following:

ACCOUNTANTS PROFESSIONAL LIABILITY POLICY

In consideration of the premium paid, it is agreed that the Policy is amended as follows:

If mediation of a claim takes place either without institution of arbitration proceedings or service of suit or within 60 days of the institution of such proceedings or service of suit, and such claim is ultimately resolved for an amount acceptable to you and us by the process of mediation, your deductible, applying to the claim, will be reduced by 50%. In no event shall the amount of the deductible waived hereunder exceed \$25,000.

All other terms and conditions of this Policy remain unchanged.

PI-ACT-26 (12/02)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**PRO-PAK ELITE COVERAGE ENHANCEMENT**

This endorsement modifies and is subject to the insurance provided under the following:

ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY

This Policy is amended as follows:

INSURING AGREEMENTS, part II, item B. is replaced in its entirety by the following:

B. not settle any CLAIM without your written consent, which shall not be unreasonably withheld. The Company and the NAMED INSURED agree that if a dispute arises with respect to the reasonableness of any INSURED's refusal to consent to a proposed settlement, that all parties will be amenable to a consultation with either an accrediting state society of certified public accountants, or the American Institute of Certified Public Accountants as a means of resolving such a dispute. Use of an accrediting organization, such as a state society of certified public accountants or the American Institute of Certified Public Accountants, will be predicated on the membership of at least one INSURED under this policy in such an organization.

INSURING AGREEMENTS, part II, item C. is replaced in its entirety by the following:

C. reimburse the INSURED \$60 per hour for any time the INSURED spends attending a trial, court hearing, mediation or arbitration proceeding at the Company's request in connection with any CLAIM. No DEDUCTIBLE will apply with respect to this specific coverage and payments made with respect to this coverage will not serve to reduce the limit of liability stated on the declarations which is available for the defense and/or settlement of CLAIMS.

INSURING AGREEMENTS, part III is replaced in its entirety by the following:

If, during the POLICY PERIOD, a DISCIPLINARY PROCEEDING is commenced against any INSURED, by reason of any negligent act, error or omission in the performance of PROFESSIONAL SERVICES for others occurring on or after the RETROACTIVE DATE, if any, and the INSURED reports the alleged negligent act, error or omission to the Company during the POLICY PERIOD, the Company will pay any reasonable attorney fees, costs and expenses incurred in responding to such DISCIPLINARY PROCEEDING. The maximum amount payable, regardless of the number of DISCIPLINARY PROCEEDINGS or the number of INSURED, shall be \$12,500 per POLICY PERIOD. The deductible shall not apply to this provision, and any payments made by the Company under this provision will not be included within the applicable limit of liability, and will be in addition thereto. The Company shall not be obligated to defend, or pay any fine, penalty or award resulting from any DISCIPLINARY PROCEEDING.

INSURING AGREEMENTS, is amended to also include the following:

VI. IDENTITY THEFT

We will reimburse the NAMED INSURED, on behalf of any INSURED, for IDENTITY THEFT EXPENSES incurred as the direct result of any one IDENTITY THEFT first discovered and reported during the policy period; provided that it began to occur subsequent to the effective date of the INSURED's first policy with the Company. The limit for this coverage will be \$1,000 per policy period for all INSUREDS combined. No deductible applies to this coverage.

Definitions applicable to this coverage:

IDENTITY THEFT whenever used in this policy means the act of knowingly transferring or using, without lawful authority, a means of identification of any INSURED with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

PI-ACT-26 (12/02)

IDENTITY THEFT EXPENSES whenever used in this policy means:

- a. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
- b. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
- c. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

VII. TERRORIST TRAVEL REIMBURSEMENT

The Company will reimburse any present partner, officer, director, stockholder, or employee of the NAMED INSURED in the event of a TERRORIST INCIDENT during the policy period which necessitates that he/she incurs EMERGENCY TRAVEL EXPENSES. The limit for this coverage will be \$1,000 per policy period for all INSUREDS combined. No deductible applies to this coverage.

Definitions applicable to this coverage:

EMERGENCY TRAVEL EXPENSES whenever used in this policy will mean hotel expenses incurred which directly result from the cancellation of a scheduled transport, by train or air, by a commercial transportation carrier resulting directly from and within forty-eight hours of a TERRORIST INCIDENT; and the marginal increase in air or train fare which may result from re-scheduling comparable transport, to replace a similarly scheduled transport canceled by a commercial transportation carrier in direct response to a terrorist incident.

TERRORIST INCIDENT whenever used in this policy will mean any activity against persons, organizations or property of any nature:

1. That involves the following or preparation for the following:
 - a. Use or threat of force or violence;
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

VIII. EMERGENCY REAL ESTATE CONSULTANT FEE

The Company will reimburse the INSURED any realtor's fee or real estate consultant's fee necessitated by the INSURED'S need to relocate due to the UNFORESEEABLE DESTRUCTION of the INSURED'S primary office during the policy period. The limit for this coverage will be \$1,000 per policy period for all INSUREDS combined. No deductible applies to this coverage.

Definitions applicable to this coverage:

UNFORESEEABLE DESTRUCTION whenever used in this policy will mean Damage resulting from a TERRORIST INCIDENT (as defined in coverage VII above), fire, crash or collapse which renders all of the INSURED'S primary office completely unusable.

IX. TEMPORARY MEETING SPACE COVERAGE

The Company will reimburse the INSURED for rental of meeting space which is necessitated by the temporary unavailability of the INSURED'S primary office space due to the failure of a climate control system, or leakage of a hot water heater during the policy period. Coverage will exist only for the renting of temporary meeting space required for meeting with parties who are not INSURED under this policy. The limit for this coverage will be \$250 per policy period for all INSUREDS combined. No deductible applies to this coverage.

PI-ACT-26 (12/02)

X. REFERRAL OF LEGAL COUNSEL

Should, during the policy period, the INSURED require legal counsel for any matter not covered by this policy; the Company will provide the INSURED with a referral to a suitable law firm. The Company will not be liable for any failure to perform of any law firm to which the INSURED is referred.

XI. WORKPLACE VIOLENCE COUNSELING COVERAGE

In the event that an incidence of WORKPLACE VIOLENCE occurs at the INSURED'S premises during the policy period, the Company will reimburse the INSURED for expenses incurred for the emotional counselling of members of the INSURED, during the policy period. The limit for this coverage will be \$1,000 per policy period for all INSUREDS combined. No deductible applies to this coverage.

Definitions applicable to this coverage:

WORKPLACE VIOLENCE whenever used in this policy will mean any intentional use of, or threat to use deadly force by any natural person, with an intent to cause harm and that results in bodily injury or death of a member of the INSURED or any other natural person while on the INSURED'S premises.

XII. THEFT OF WORK MATERIALS FROM PERSONAL AREAS

The Company will reimburse the INSURED their deductible for any theft involving WORK MATERIALS which are stolen from the INSURED'S PERSONAL AREAS during the policy period, which is covered by other insurance. No reimbursement is applicable under this section for thefts for which no other insurance policy provides a settlement of any amount. The limit for this coverage will be \$500 per policy period for all INSUREDS combined. No deductible applies to this coverage.

Definitions applicable to this coverage:

WORK MATERIALS whenever used in this policy will mean any items which are used by the INSURED solely in the course of providing professional services; inclusive of stores of data and client records.

INSURED'S PERSONAL AREAS whenever used in this policy will be any residence or automobile owned or rented by any member of the INSURED.

XIII. KIDNAP/RANSOM COVERAGE

The Company will pay on behalf of the NAMED INSURED, reasonable fees incurred by the kidnapping of an INSURED or INSURED'S spouse, parent or child during the POLICY PERIOD, subject to a limit of \$50,000 each Policy Period, but not subject to any deductible. Reasonable fees will include:

1. fees and expenses of an independent negotiator or consultant retained with prior approval of the Company;
2. interest on any loan taken by the NAMED INSURED to pay DAMAGES covered under this Policy; provided, however, that the Company shall not be liable for any interest accruing prior to thirty (30) days preceding the date of such payment, nor subsequent to the date of reimbursement from the Company for any portion of DAMAGES recoverable under this Policy;
3. costs of travel and accommodations incurred by the NAMED INSURED which become specifically necessary due to the applicable kidnapping;
4. the reward paid by the NAMED INSURED to an informant for information not otherwise available which leads to the arrest and conviction of persons responsible for any DAMAGES under this Policy; and
5. salaries to an employee who is kidnapped at the annual rate in effect prior to the kidnapping paid by the NAMED INSURED; provided, however, that the employee shall be held for more than thirty (30) days. Salary shall be paid for a period commencing upon abduction and ceasing upon the earliest of either the release of the employee or discovery of the death of the employee, or 120 days after the Company receives the last credible evidence that the employee is still alive, or twelve (12) months after the date of kidnapping.

XIV. KEY INDIVIDUAL REPLACEMENT COVERAGE

The Company will pay an Accidental Death Benefit to the NAMED INSURED or the NAMED INSURED'S estate, if a majority or plurality equity-holder in the NAMED INSURED suffers an injury during the POLICY

PI-ACT-26 (12/02)

PERIOD which results in the loss of life not later than 180 days after the POLICY PERIOD. The Accidental Death Benefit amount shall be the lesser of \$100,000 or ten (10) times the annual premium paid for this Policy. No deductible applies to this coverage.

The following is added to **CONDITIONS**, but only with regard to coverages VI through XII:

XII. PRO-PAK ELITE CONDITIONS

In the event that multiple recoveries would otherwise be possible under parts V through VII above resulting from the same circumstances, the Company is only liable to pay the greatest amount applicable under one of the above coverages. The maximum aggregate recovery during the policy period under INSURING AGREEMENTS items VI through XII is \$3,000. The aggregate limit of liability, as indicated on the declarations page, is not subject to reduction by any payments under parts VI through XII.

DEFINITIONS, part III is replaced in its entirety by the following:

III. "**DAMAGES**" MEANS: monetary compensation for past harms or injuries, provided that **DAMAGES** shall never include:

1. punitive or exemplary damages; or
2. sanctions, fees, fines or penalties imposed on any **INSURED**; or
3. the amount of any multiplied damage awarded that is in excess of the damage award prior to such multiplication; or
4. Liquidated damages as provided under as contract or statute.

DEFINITIONS, part X (definition of **PROFESSIONAL SERVICES**) will also include:

F. Consulting in the course of the practice of accountancy;

G. Acting as a personal fiduciary; and

H. acting as a Director or Officer of a non-profit organization, as defined by the Internal Revenue Service.

CLAIMS arising out of any **INSURED**'s activities as a Director or Officer of a non-profit organization are subject to a \$5,000 maximum recovery under this policy.

EXCLUSIONS, item D is replaced in its entirety by the following:

D. any **INSURED**'S activities as an officer, director, partner, joint venture, manager or employee of any company, corporation, operation, organization or association other than the **NAMED INSURED**.

EXCLUSIONS, item K is replaced in its entirety by the following:

K. **PROFESSIONAL SERVICES** performed in connection with any organization, corporation, company, partnership, joint venture, operation, or entity (other than the named insured) if, at the time of the act or omission giving rise to a **CLAIM**, any **INSURED** was an officer, director, partner, manager or holder of more than a 15% equity interest;

EXCLUSIONS, item E is replaced in its entirety by the following:

E. any dishonest, fraudulent, criminal, malicious or knowingly wrongful or unlawful act, error or omission of any **INSURED**, provided that such determination results from either a legal adjudication, regulatory ruling, or legal admission;

EXCLUSIONS, item G is deleted in its entirety.

LIMITS OF LIABILITY AND DEDUCTIBLE, section I is replaced in its entirety by the following:

PI-ACT-26 (12/02)

I. LIMITS OF LIABILITY

The limit of liability shall apply in excess of the deductible, CLAIMS EXPENSES and amounts paid in satisfaction of CLAIMS are subject to the applicable limits of liability. The inclusion of more than one INSURED in any CLAIM or the assertion of CLAIMS by more than one person or organization shall not operate to increase the limits of liability and deductible.

All CLAIMS EXPENSES shall first be subtracted from the limits of liability, with the remainder, if any, being the amount available to pay DAMAGES.

The liability of the Company for the combined total of DAMAGES and CLAIMS EXPENSES for each CLAIM shall not exceed the amount stated the Declarations concerning each CLAIM.

Subject to Item C in the Declarations concerning each CLAIMS, the liability of the Company for the combined total of Damages and CLAIMS EXPENSES shall not exceed the amount stated in the Declarations as "aggregate" for all CLAIMS first made against any INSUREDS during the POLICY PERIOD; however the full limit of liability is fully reinstated to the amounts indicated in Item C of the declarations page at the end of the policy in the event that an Extended Reporting Period is purchased.

PI-ACT-33 (8/04)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL FINANCIAL PLANNER EXTENSION

This endorsement modifies insurance provided under the following:

ACCOUNTANTS PROFESSIONAL LIABILITY

In consideration of premium paid:

DEFINITIONS, part X (definition of **PROFESSIONAL SERVICES**) will also include personal financial planning. Personal financial planning does not include services rendered as a security broker-dealer, nor does it include the direct sale of any investment.

PI-ACT-1954(11-97)

ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY**THIS IS A CLAIMS MADE AND REPORTED POLICY. PLEASE READ IT CAREFULLY.**

In consideration of the payment of the premium and in reliance upon the statements in the application and supplements attached hereto and made a part hereof, and subject to all terms of the policy, the Company agrees with the NAMED INSURED as follows:

INSURING AGREEMENTS**I. COVERAGE – PROFESSIONAL LIABILITY**

The Company will pay on behalf of the INSUREDS those sums in excess of the deductible which the INSUREDS become legally obligated to pay as DAMAGES as a result of CLAIMS first made against the INSUREDS by reason of a negligent act, error or omission in the performance of PROFESSIONAL SERVICES, provided the CLAIM is first made during the POLICY PERIOD and written report of the CLAIM is received by the Company during the POLICY PERIOD or within sixty (60) days thereafter.

II. DEFENSE, INVESTIGATION AND SETTLEMENT OF CLAIMS

As respects such CLAIMS which are covered by this policy, the Company shall:

- A. have the right and duty to defend, including selection of counsel and arbitrators, in any INSURED'S name and on any INSURED'S behalf any CLAIM for DAMAGES against any INSURED, even if such CLAIM is groundless, false or fraudulent and shall have the right to make such investigation, negotiation and settlement, subject to II.B. below, of any CLAIM as it deems expedient;
- B. not settle any CLAIM without the written consent of the NAMED INSURED which consent shall not be unreasonably withheld. If, however the NAMED INSURED refuses to consent to a settlement recommended by the Company and elects to contest the CLAIM or continue legal proceedings in connection with such CLAIM, the Company's liability for the CLAIM shall not exceed the amount for which the CLAIM could have been settled, including CLAIMS EXPENSES up to the date of such refusal, or the applicable limits of liability, whichever is less;
- C. reimburse up to \$500 to each INSURED for each day or part thereof for his or her attendance at the Company's request at trial, court-imposed hearing, settlement conference, mediation or arbitration proceeding involving a CLAIM, but the total amount so payable shall not exceed \$10,000 per CLAIM. Such payments shall be based upon 50% of the normal hourly billing rates for each INSURED. The deductible shall not apply to this provision, however, any payments made by the Company under this provision will be included within the applicable limit of liability and not in addition thereto.

The Company shall not be obligated to pay any DAMAGES or defend or continue to defend any CLAIM after the limit of the Company's liability has been exhausted by payment of DAMAGES and/or CLAIMS EXPENSES, or by deposit of sums equal to the applicable limits of liability in a court having jurisdiction.

PI-ACT-1954(11-97)

III. DISCIPLINARY PROCEEDINGS

If, during the POLICY PERIOD, a DISCIPLINARY PROCEEDING is commenced against any INSURED, by reason of any negligent act, error or omission in the performance of PROFESSIONAL SERVICES for others occurring on or after the RETROACTIVE DATE, if any, and the INSURED reports the alleged negligent act, error or omission to the Company during the POLICY PERIOD, the Company will reimburse the INSURED for reasonable attorney fees, costs and expenses incurred in responding to such DISCIPLINARY PROCEEDING. The maximum amount payable, regardless of the number of DISCIPLINARY PROCEEDINGS or the number of INSUREDS, shall be \$10,000 per POLICY PERIOD. The deductible shall not apply to this provision, however, any payments made by the Company under this provision will be included within the applicable limit of liability and not in addition thereto. The Company shall not be obligated to defend, or pay any fine, penalty or award resulting from any DISCIPLINARY PROCEEDING.

IV. REPORTING OF POTENTIAL CLAIMS

If, during the POLICY PERIOD, any INSURED first becomes aware of a potential CLAIM (i.e., any act, error or omission which might reasonably give rise to a CLAIM against any INSURED under this policy) and the INSURED gives immediate written notice of such act, error or omission to the Company during the POLICY PERIOD, any CLAIMS subsequently made against any INSURED by reason of that act, error or omission shall be considered to have been made during the POLICY PERIOD.

Written notice of a potential CLAIM shall include:

- A. a description of the specific act, error or omission including the date(s) thereof; and
- B. the injury or damage that could reasonably result therefrom; and
- C. the date and circumstances by which any INSURED became aware of the act, error or omission.

V. TERRITORY

This policy applies to negligent acts, errors or omissions that occur anywhere in the world provided the CLAIM is made and suit or arbitration proceedings are brought against any INSURED in the United States of America, its territories or possessions or Canada.

DEFINITIONS

- I. **"CLAIM" MEANS:** a demand made upon any INSURED for DAMAGES, including, but not limited to, service of suit or institution of arbitration proceedings against any INSURED.

All CLAIMS arising out of the same act, error or omission, or acts, errors or omissions which are logically or causally connected in any way shall be deemed as a single CLAIM. All such CLAIMS whenever made shall be considered first made on the date on which the earliest CLAIM arising out of such act, error or omission was first made and all such CLAIMS are subject to the same limits of liability and deductible.

- II. **"CLAIMS EXPENSES" MEANS:**

- A. fees charged by any Lawyer designated by the Company to defend the interests of any INSURED; and

PI-ACT-1954(11-97)

- B. If authorized by the Company, all other reasonable fees, costs and expenses resulting from the investigation, adjustment, defense or appeal of any CLAIM, including but not limited to:
 - 1. all costs taxed against the INSURED and post judgment interest on the portion of any judgment for which the Company is liable under this policy until the Company has tendered or deposited in court or otherwise such judgment amount for which the company is liable.
 - 2. appeal bonds in an amount not to exceed the Company's limit of liability. The Company shall have no obligation to apply for, or furnish such bonds.

CLAIMS EXPENSES shall not include salaries and expenses of regular employees or officials of the Company or any INSURED.

- III. **"DAMAGES" MEANS:** monetary compensation for past harms or injuries, provided always that DAMAGES shall not include:
 - A. punitive or exemplary damages; or
 - B. sanctions, fees, fines or penalties imposed on any INSURED; or
 - C. the multiplied portion of any multiplied damage award; or
 - D. fees or other consideration paid to any INSURED; or
 - E. liquidated damages as provided under a contract or statute.
- IV. **"DISCIPLINARY PROCEEDING" MEANS:** any proceeding by a regulatory or disciplinary official or agency to investigate charges made by a client or former client alleging professional misconduct in rendering or failing to render PROFESSIONAL SERVICES.
- V. **"EXECUTOR" MEANS:** the person appointed by a testator in his or her will to carry out the directions and requests in the will, and to dispose of the property according to the testamentary provisions of the will.
- VI. **"INSURED" MEANS:**
 - A. the NAMED INSURED;
 - B. any PREDECESSOR FIRM OR SUCCESSOR FIRM;
 - C. any past or present partner, officer, director, stockholder or employee of the NAMED INSURED or entity specified in Item VI.B. above, but only as respects PROFESSIONAL SERVICES rendered on behalf of the NAMED INSURED, or any PREDECESSOR FIRM;
 - D. any accountant or accounting firm while performing PROFESSIONAL SERVICES for, and under contract with the NAMED INSURED, PREDECESSOR FIRM or SUCCESSOR FIRM;
 - E. the heirs, executors, administrators and legal representatives of any INSURED in the event of any INSURED'S death, incapacity or bankruptcy, but only as respects PROFESSIONAL SERVICES rendered prior to such INSURED'S death, incapacity or bankruptcy and only to the extent that such INSURED would otherwise be covered by this policy.

PI-ACT-1954(11-97)

- VII. **"NAMED INSURED" MEANS:** the person or entity stated in Item A. of the Declarations.
- VIII. **"POLICY PERIOD" MEANS:** the period from the effective date of this policy to the expiration date as set forth in the Declarations or earlier termination date, if any, of this policy.
- IX. **"PREDECESSOR FIRM" MEANS:** an accounting firm or practice, some or all of whose principals, owners, partners or officers have joined the NAMED INSURED, provided such individuals were responsible for producing in excess of 50% of the prior firm's annual gross billings and such billings have been assigned or transferred to the NAMED INSURED.
- X. **"PROFESSIONAL SERVICES" MEANS:**
- A. services performed or advice given by any INSURED to others for a fee or otherwise in the conduct of the INSURED'S practice as an accountant; including without limitation, duties performed or advices given in connection with the American Institute of Certified Public Accountants or any state society of certified public accountants;
 - B. services performed by any INSURED as a notary public;
 - C. services performed by any INSURED as a TRUSTEE, RECEIVER or EXECUTOR;
 - D. activities of the INSURED as a member of a formal accreditation, ethics, peer review, licensing board, standards review or similar professional board or committee for the accounting profession. Exclusion F., as it applies to restraint of trade or antitrust violation, shall not apply to these activities;
 - E. if arising out of A, B, C, or D: libel, slander or invasion of privacy.
- XI. **"RECEIVER" MEANS:** a person appointed by a court for the purpose of property of a debtor pending an action against him or her whenever there is danger that in the absence of such appointment the property will be lost, removed or injured; or a person who receives, collects, cares for and disposes of the property of another or others in accordance with a written agreement made between persons having interests in such property.
- XII. **"RETROACTIVE DATE" MEANS:** the date, if specified in the Declarations or in any endorsement attached hereto, on or after which any negligent act, error or omission must have occurred in order for CLAIMS arising therefrom to be covered under this policy. CLAIMS arising from any negligent act, error or omission occurring prior to this date are not covered by this policy.
- XIII. **"SUCCESSOR FIRM" MEANS:** after dissolution of the NAMED INSURED, any accounting firm or practice in which some or all of the principals, owners, officers and/or partners of the NAMED INSURED have joined an existing, or formed a new, accounting firm provided such persons were responsible for producing in excess of 50% of the NAMED INSURED'S annual gross billings at the time of dissolution and such billings have been assigned or transferred to the successor accounting firm; provided this policy does not apply to PROFESSIONAL SERVICES if the SUCCESSOR FIRM is also an INSURED under any similar professional liability or indemnity policy, or would be an INSURED under any such policy but for exhaustion of its limits of liability. This coverage shall terminate on this Policy's expiration date or 90 days from the date of dissolution of the NAMED INSURED, whichever is earlier, unless written notice is given to the Company, together with such information as the Company may request, and the SUCCESSOR FIRM shall pay any additional premium required in the event the Company agrees to continue the policy.

PI-ACT-1954(11-97)

- XIV. "TRUSTEE" MEANS:** one who holds legal title to property under an express trust agreement to administer the property for the benefit or use of another and who must carry out specific duties with regard to the property.

EXCLUSIONS

This policy does not apply to any CLAIM or DAMAGES arising out of:

- A. (i) mental or emotional injury or distress of any person; or (ii) arising from bodily injury to, or sickness, disease, or death of any person. This exclusion does not apply to mental illness, emotional distress or humiliation caused by libel, slander or invasion of privacy;
- B. any act, error or omission occurring prior to the effective date of this policy if any INSURED at the effective date knew or could have reasonably foreseen that such act, error or omission might be the basis of a CLAIM;
- C. loss of, injury to, or destruction of tangible property or for loss of use thereof. However, this exclusion does not apply to client records which are in the INSURED'S care, custody or control, or over which the INSURED is exercising physical control for any reason;
- D. any INSURED'S activities as an officer, director, partner, joint venture, manager, employee or independent contractor of any company, corporation, operation, organization or association other than the NAMED INSURED;
- E. any dishonest, fraudulent, criminal, malicious or knowingly wrongful or reckless act, error or omission of any INSURED;
- F. any actual or alleged violations of state or federal antitrust, price fixing, restraint-of-trade, copyright or deceptive trade practice laws, rules or regulations;
- G. the alleged certification or acknowledgement by any INSURED, in his or her capacity as a notary public, of a signature on a document which the INSURED did not witness being placed on the document;
- H. any INSURED gaining any personal profit or advantage to which the INSURED was not legally entitled;
- I. PROFESSIONAL SERVICES performed for any: trust; estate; organization; corporation; company; partnership; person; operation or entity; other than the NAMED INSURED;
 - a.) to whom any INSURED promoted, solicited or sold securities, real estate or other investments; or
 - b.) for which any INSURED received a fee or commission prohibited by the Rules of Conduct of the American Institute of Certified Public Accountants;
- J. the sale or solicitation for sale of securities, real estate, insurance products, or any other investment by an INSURED. This exclusion does not apply to CLAIMS arising out of the NAMED INSURED'S preparation of pro forma financial statements for public or private offerings;
- K. PROFESSIONAL SERVICES performed pre or post formation in connection with any organization; corporation; company; partnership; joint venture; operation; or entity (other than the NAMED INSURED) while any INSURED was or became an officer, director, partner, manager or holder of more than a 10% equity interest;

PI-ACT-1954(11-97)

- L. any INSURED'S activities as a trustee for any mutual or investment fund or trust, or a trust set up in connection with a pension, profit sharing, or other employee benefit plan subject to ERISA or any similar state law;
- M. conversion, misappropriation or improper commingling of client funds or funds held for the benefit of a client;
- N. any act, error or omission occurring prior to the RETROACTIVE DATE specified in the Declarations or any endorsement;
- O. any DISCIPLINARY PROCEEDINGS except as provided in Insuring Agreement III;
- P. the use, handling, sale, distribution, transport, shipment, dispersal, storage, or disposal of any nuclear, radioactive or fissionable material, or any alleged violation of any environmental statute, regulation, or ordinance with respect to such material;
- Q. the planning, construction, maintenance, operation or use of any nuclear reactor, nuclear waste storage facility or disposal site or any other nuclear facility, or nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incidental to the foregoing;
- R. actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous, thermal, or aural irritant, pollutant, contaminant, or organism, including, but not limited to noise, lead, smoke, vapors, electromagnetic radiation, soot, fumes, acids, alkalis, chemicals or waste materials (including those that are to be stored, recycled, reconditioned or reclaimed), into or upon land, air, water or property;
- S. the manufacture of, mining of, use of, removal of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust.

Exclusions (E), (H) and (M) do not invalidate this insurance as to any INSURED who did not act with knowledge or consent in the matter to which the exclusion applies.

LIMITS OF LIABILITY AND DEDUCTIBLE

I. LIMIT OF LIABILITY

The limit of liability shall apply in excess of the deductible, CLAIMS EXPENSES and amounts paid in satisfaction of CLAIMS are subject to the applicable limits of liability. The inclusion of more than one INSURED in any CLAIM or the assertion of CLAIMS by more than one person or organization shall not operate to increase the limits of liability and deductible.

All CLAIMS EXPENSES shall first be subtracted from the limits of liability, with the remainder, if any, being the amount available to pay DAMAGES.

The liability of the Company for the combined total of DAMAGES and CLAIMS EXPENSES for each CLAIM shall not exceed the amount stated the Declarations concerning each CLAIM.

Subject to Item C in the Declarations concerning each CLAIM, the liability of the Company for the combined total of DAMAGES and CLAIM EXPENSES shall not exceed the amount stated in the Declarations as "aggregate" for all CLAIMS first made against any INSUREDS during the POLICY PERIOD, and all Extended Reporting Periods, if purchased.

PI-ACT-1954(11-97)

II. DEDUCTIBLE

The deductible stated in the Declarations applies to each CLAIM and shall be paid by the NAMED INSURED. The deductible shall be first applied to all CLAIMS EXPENSES with the remainder, if any, then to be applied to DAMAGES. Payment of the deductible or portions thereof shall be made by the NAMED INSURED within thirty (30) days of receipt of demand by the Company.

III. CLAIMS EXPENSES

CLAIMS EXPENSES shall be included within the deductible and the limits of liability and not in addition thereto. Such CLAIMS EXPENSES shall reduce the available limit of liability.

IV. REIMBURSEMENT TO COMPANY

If the Company has paid any amounts as DAMAGES and/or CLAIMS EXPENSES in satisfaction of any CLAIMS in excess of the applicable limit of liability, or has paid DAMAGES and/or CLAIMS EXPENSES within the amount of applicable deductible, the NAMED INSURED shall be liable to the Company for any and all such amounts and, upon demand, shall pay such amounts to the Company.

CONDITIONS**I. INSURED'S DUTIES PRECEDENT TO COVERAGE**

As a condition precedent to the availability of coverage under this policy, an INSURED'S duties in the event of a CLAIM or potential CLAIM are as follows:

- A. If a CLAIM is made against an INSURED, or any INSURED becomes aware of any potential CLAIM in accordance with Insuring Agreement IV, the INSURED must give prompt written notice to the Company, directed to:
- B.

Philadelphia Insurance Companies
One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
Attention: Claims Department

Notice shall include every demand, notice, summons or other service of process received by any INSURED.

- C. No INSURED shall, without prior written consent of the Company, make any payment, admit liability, settle CLAIMS, assume any obligation, or agree to arbitration or any method of alternative dispute resolution for which the result is binding upon the INSURED; nor shall the INSURED waive any rights or incur any CLAIMS EXPENSES without the prior written consent of the Company.

II. INSURED'S DUTIES SUBSEQUENT TO A CLAIM

- A. All INSUREDS shall cooperate with the Company in the defense, investigation and settlement of any CLAIM. Upon the Company's request, the INSURED shall submit to examination or questioning, attend hearings, depositions and trials and assist in effecting settlements, securing and giving evidence and obtaining the attendance of witnesses in the defense of CLAIMS.
- B. All INSUREDS shall assist the Company in effecting any rights of indemnity, contribution or apportionment available to any INSURED or the Company.

PI-ACT-1954(11-97)

III. LIBERALIZATION

If, during the POLICY PERIOD, the Company adopts revised provisions for this policy form in order to afford, without additional premium, broader insurance to the types of activities covered by this policy, such provisions will apply to this policy, effective when the provision has been approved by the appropriate regulatory authority; and such revision shall apply only to CLAIMS first made, or potential CLAIMS of which the INSURED first became aware after the date of such approval.

IV. EXTENDED REPORTING PERIOD

If the Company or the NAMED INSURED cancels or non-renews this policy, the NAMED INSURED shall have the right to extend the time for reporting CLAIMS made against any INSURED per the following schedule. The additional premium for the Extended Reporting Period shall be:

- 12 months for 100% of the policy's annual premium;
- 24 months for 150% of the policy's annual premium;
- 36 months for 185% of the policy's annual premium;
- 60 months for 250% of the policy's annual premium.

If the NAMED INSURED is a sole proprietor and shall cancel or fail to renew the policy due to his or her retirement from active practice as an accountant, and has been continuously insured with Philadelphia Insurance Companies for a minimum of three years, the NAMED INSURED shall also have the right to extend the time for reporting CLAIMS made against any INSURED to an unlimited period for 300% of the policy's annual premium. If the NAMED INSURED is a sole proprietor, and has been continuously insured with Philadelphia Insurance Companies for a minimum of three years, in the event of his or her death or total permanent disability, the Company will waive the premium required for the unlimited period.

If any Extended Reporting Period option is exercised, the coverage shall apply only to CLAIMS otherwise covered by this policy which are first made against any INSURED and reported to the Company in writing during the Extended Reporting Period. Coverage for CLAIMS first made and reported during the Extended Reporting Period applies only to CLAIMS for acts, errors or omissions which took place prior to the end of the POLICY PERIOD and on or after the RETROACTIVE DATE, if any.

This right to purchase the Extended Reporting Endorsement is subject to the following conditions:

- A. This Policy was canceled or non-renewed for reasons other than non-payment of premium.
- B. Any deductible amounts due to the Company must be paid by the NAMED INSURED.
- C. The NAMED INSURED must send written notice to the Company of the intention to purchase the Extended Reporting Endorsement accompanied by the additional premium. Written notice and premium payments must be received by the Company within sixty (60) days after the termination date of the POLICY PERIOD.
- D. The Extended Reporting Period is subject to the aggregate limit of liability stated in Item C. of the Declarations, and the aggregate limit of liability shall be reduced by payment by the Company of any CLAIMS EXPENSES and DAMAGES for all claims first made against any INSUREDS during the POLICY PERIOD and the Extended Reporting Period.
- E. This option to extend the reporting period does not extend the POLICY PERIOD.

PI-ACT-1954(11-97)

F. Premium for this option is fully earned when payment is made.

V. SUBROGATION

In the event of payment by the Company under this policy, the Company shall be subrogated to all INSURED'S rights of recovery against any person or organization. All INSUREDS shall cooperate with the Company and do whatever is necessary to secure such rights and shall do nothing to prejudice such rights.

VI. CHANGES

The terms of this policy cannot be waived or changed except by an endorsement issued to form a part of this policy.

VII. ASSIGNMENT

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

VIII. CANCELLATION

This policy may be canceled by the NAMED INSURED by surrender thereof to the Company or by mailing to the Company written notice stating when thereafter such cancellation shall be effective. If this policy is canceled by the NAMED INSURED, the Company may retain a proportion of the premium greater than pro rata.

This policy may be canceled by the Company by mailing to the NAMED INSURED at the address stated in the Declarations written notice stating when, not less than thirty (30) days thereafter, such cancellation shall be effective, but this policy may be canceled as aforesaid by not less than ten (10) days notice when the cancellation is due to the NAMED INSURED'S nonpayment of premium. The mailing of notice as aforementioned shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the POLICY PERIOD. If the Company cancels, earned premium shall be computed pro rata.

Delivery of written notice by the Company shall be equivalent to mailing. Premium adjustment may be made at the time cancellation is affected or as soon as is practicable thereafter.

IX. OTHER INSURANCE

If there is other insurance applicable to a CLAIM covered by this policy, this policy shall be deemed excess insurance over and above the applicable limits of liability of all such other insurance unless such other insurance is written only as specific excess insurance over the limits of liability provided in this policy.

X. ACTION AGAINST THE COMPANY

No action shall lie against the Company unless, as a condition precedent thereto, all INSUREDS shall have fully complied with all the terms of this policy, nor until the amount of the INSUREDS' obligations to pay shall have been finally determined either by judgment against the INSUREDS after any contested trial on the merits or by written agreement of the NAMED INSURED, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy.

PI-ACT-1954(11-97)

Nothing contained in this policy shall give any person or organization any right to join the Company as a codefendant in any action against any INSURED to determine any INSURED'S liability.

XI. ENTIRE AGREEMENT

By acceptance of this policy, all INSUREDS reaffirm as of the effective date of this policy that (a) the statements in the application including all information communicated by the INSURED to the Company, attached hereto and made a part hereof, are all INSUREDS' agreements and representations, (b) this policy is issued in reliance upon the truth and accuracy of such representations and (c) this policy embodies all agreements between all INSUREDS and the Company.

This policy is not valid unless completed by the attachment of the Declarations signed by an authorized representative of the Company.

PI-ARB-1 (4/03)

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

Wherever, used in this endorsement: 1) "we", "us", "our", and "insurer" mean the insurance company which issued this policy; and 2) "you", "your", "named insured", "first named insured", and "insured" mean the Named Corporation, the Named Organization, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "other insured(s)" means all other persons or entities afforded coverage under this policy.

This endorsement modifies coverage provided under the Coverage Part to which it is attached.

If we and the insured do not agree whether coverage is provided under this Coverage Part for a claim made against the insured, then either party may make a written demand for arbitration.

When this demand is made, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

All other terms of the policy remain unchanged.

PI-BELL-1 TX (11/09)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**BELL ENDORSEMENT****PHILADELPHIA
INSURANCE COMPANIES**

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS

The following is a summary of Limits of Liability or Limits of Insurance and/or additional coverages provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

COVERAGE	LIMITS OF INSURANCE
Conference Cancellation	\$25,000
Donation Assurance	\$50,000
Emergency Real Estate Consulting Fee	\$50,000
Fundraising Event Blackout	\$25,000
Identity Theft Expense	\$50,000
Image Restoration and Counseling	\$50,000
Key Individual Replacement Expenses	\$50,000
Kidnap Expense	\$50,000
Political Unrest	\$5,000 per employee; \$25,000 policy limit
Temporary Meeting Space Reimbursement	\$25,000
Terrorism Travel Reimbursement	\$50,000
Travel Delay Reimbursement	\$1,500
Workplace Violence Counseling	\$50,000

PI-BELL-1 TX (11/09)

II. CONDITIONS**A. Applicability of Coverage**

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable.

B. Limits of Liability or Limits of Insurance

1. When coverage is provided by this endorsement and another coverage form or endorsement attached to this policy, the greater limits of liability or limits of insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy. Additionally, if this policy and any other coverage part or policy issued to you by us, or any company affiliated with us, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limits of liability or limits of insurance under all such coverage parts or policies combined shall not exceed the highest applicable limits of liability or limits of insurance under any one coverage part or policy.
2. Limits of liability or limits of insurance identified in Section I. **SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS** above are not excess of, but are in addition to the applicable Limits of Liability or Limits of Insurance stated in the Declarations.

C. Claim Expenses

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

III. ADDITIONAL COVERAGES**A. Conference Cancellation**

We will reimburse the insured for any business-related conference expenses, paid by the insured and not otherwise reimbursed, for a canceled conference that an employee was scheduled to attend. The cancellation must be due directly to a "natural catastrophe" or a "communicable disease" outbreak that forces the cancellation of the conference.

With respect to a conference cancellation claim, it is further agreed as follows:

1. The insured employee must have registered for the conference at least thirty (30) days prior to the cancellation; and
2. The cancellation must be ordered by a local, state or federal Board of Health or other governmental authority having jurisdiction over the location of the conference.

The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

B. Donation Assurance

If the insured is a 501(c)(3) status non-profit organization as defined in the United States Internal Revenue Code, we will reimburse the insured for "failed donation claim(s)."

With respect to any "failed donation claim," it is further agreed as follows:

PI-BELL-1 TX (11/09)

1. The donor must not have been in bankruptcy, nor have filed for bankruptcy or reorganization in the past seven (7) years prior to the time said pledge was made to the insured;
2. For non-cash donations, our payment of a "failed donation claim" shall be based on the fair market value of said non-cash donation at the time of the "failed donation claim";
3. In the case of unemployment or incapacitation of a natural person donor and as a condition of payment of the "failed donation claim":
 - a. Neither the natural person donor nor the insured shall have had reason to believe the donor would become unemployed or incapacitated subsequent to the donation date; and
 - b. The donor shall be unemployed for at least sixty (60) days prior to a claim being submitted by the insured;
4. No coverage shall be afforded for a written pledge of funds or other measurable, tangible property to the insured dated prior to the policy period; and
5. A donation amount which is to be collected by the insured over more than a twelve (12) month period shall be deemed a single donation.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

C. Emergency Real Estate Consulting Fee

We will reimburse the insured any realtor's fee or real estate consultant's fee necessitated by the insured's need to relocate due to the "unforeseeable destruction" of the insured's "principal location" listed in the Declarations during the policy period. The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

D. Fundraising Event Blackout

We will reimburse the insured for "fundraising expenses" that are incurred due to the cancellation of a fundraising event caused by the lack of electric supply resulting in a power outage, provided the fundraising event is not re-scheduled. The fundraising event must have been planned at least thirty (30) days prior to the power outage. The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

E. Identity Theft Expense

We will reimburse any present director or officer of the named insured for "identity theft expenses" incurred as the direct result of any "identity theft" first discovered and reported during the policy period; provided that it began to occur subsequent to the effective date of the insured's first policy with us. The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

F. Image Restoration and Counseling

We will reimburse the insured for expenses incurred for image restoration and counseling arising out of "improper acts" by any natural person.

PI-BELL-1 TX (11/09)

Covered expenses are limited to:

1. The costs of rehabilitation and counseling for the accused natural person insured, provided the natural person insured is not ultimately found guilty of criminal conduct; this reimbursement to occur after acquittal of the natural person insured;
2. The costs charged by a recruiter or expended on advertising, for replacing an officer as a result of "improper acts"; and
3. The costs of restoring the named insured's reputation and consumer confidence through image consulting.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

G. Key Individual Replacement Expenses

We will pay "key individual replacement expenses" if the Chief Executive Officer or Executive Director suffers an "injury" during the policy period which results in the loss of life during the policy period. The limit of insurance for this coverage is the lesser of \$50,000 or ten (10) times the annual premium paid for this policy. No deductible applies to this coverage.

H. Kidnap Expense

We will pay on behalf of any director or officer of the insured, reasonable fees incurred as a result of the kidnapping of them or their spouse, "domestic partner," parent or child during the policy period. Coverage will not apply to any kidnapping by or at the direction of any present or former family member of the victim.

Reasonable fees will include:

1. Fees and costs of independent negotiators;
2. Interest costs for any loan from a financial institution taken by you to pay a ransom demand or extortion threat;
3. Travel costs and accommodations incurred by the named insured;
4. Reward money paid to an informant which leads to the arrest and conviction of parties responsible for loss covered under this insurance; and
5. Salary, commissions and other financial benefits paid by you to a director or officer. Such compensation applies at the level in effect on the date of the kidnap and ends upon the earliest of:
 - a. Up to thirty (30) days after their release, if the director or officer has not yet returned to work;
 - b. Discovery of their death;
 - c. One hundred twenty (120) days after the last credible evidence following abduction that they are still alive; or
 - d. Twelve (12) months after the date of the kidnapping.

The limit of insurance for this coverage is \$50,000 each policy period for all insureds combined.

PI-BELL-1 TX (11/09)

No deductible applies to this coverage.

I. Political Unrest Coverage

We will reimburse any present director, officer, employee or volunteer of the named insured while traveling outside the United States of America for "emergency evacuation expenses" that are incurred as a result of an incident of "political unrest." This "political unrest" must occur during the policy period. No coverage is granted for travel to countries in a state of "political unrest" at the time of departure of the travel. The limit of insurance for this coverage is \$5,000 per covered person, subject to a maximum of \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

J. Temporary Meeting Space Reimbursement

We will reimburse the insured for rental of meeting space which is necessitated by the temporary unavailability of the insured's primary office space due to the failure of a climate control system, or leakage of a hot water heater during the policy period. Coverage will exist only for the renting of temporary meeting space required for meeting with parties who are not insured under this policy. The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

K. Terrorism Travel Reimbursement

We will reimburse any present director or officer of the named insured in the event of a "certified act of terrorism" during the policy period which necessitates that he/she incurs "emergency travel expenses." The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

L. Travel Delay Reimbursement

We will reimburse any present director or officer of the named insured for any "non-reimbursable expenses" they incur as a result of the cancellation of any regularly scheduled business travel on a common carrier. The limit of insurance for this coverage is \$1,500 per policy period for all insureds combined. A seventy-two (72) hour waiting period deductible applies to this coverage.

M. Workplace Violence Counseling

We will reimburse the insured for emotional counseling expenses incurred directly as a result of a "workplace violence" incident at any of the insured's premises during the policy period. The emotional counseling expenses incurred must have been for:

1. Your employees who were victims of, or witnesses to the "workplace violence";
2. The spouse, "domestic partner," parents or children of your employees who were victims of, or witnesses to the "workplace violence"; and
3. Any other person or persons who directly witnessed the "workplace violence" incident.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

IV. DEFINITIONS

For the purpose of this endorsement, the following definitions apply:

PI-BELL-1 TX (11/09)

- A. "Certified act of terrorism"** means any act so defined under the Terrorism Risk Insurance Act, and its amendments or extensions.
- B. "Communicable disease"** means an illness, sickness, condition or an interruption or disorder of body functions, systems or organs that is transmissible by an infection or a contagion directly or indirectly through human contact, or contact with human fluids, waste, or similar agent, such as, but not limited to Meningitis, Measles or Legionnaire's Disease.
- C. "Domestic partner"** means any person who qualifies as a domestic partner under the provisions of any federal, state or local statute or regulation, or under the terms and provisions of any employee benefit or other program established by the named insured.
- D. "Emergency evacuation expenses"** mean:
1. Additional lodging expenses;
 2. Additional transportation costs;
 3. The cost of obtaining replacements of lost or stolen travel documents necessary for evacuation from the area of "political unrest"; and
 4. Translation services, message transmittals and other communication expenses.
- provided that these expenses are not otherwise reimbursable.
- E. "Emergency travel expenses"** mean:
1. Hotel expenses incurred which directly result from the cancellation of a scheduled transport by a commercial transportation carrier, resulting directly from and within forty-eight (48) hours of a "certified act of terrorism"; and
 2. The increased amount incurred which may result from re-scheduling comparable transport, to replace a similarly scheduled transport canceled by a commercial transportation carrier in direct response to a "certified act of terrorism";
- provided that these expenses are not otherwise reimbursable.
- F. "Failed donation claim"** means written notice to the insured during the policy period of:
1. The bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a prior written pledge of funds or other measurable, tangible property to the insured; or
 2. The unemployment or incapacitation of a natural person donor preventing him/her from honoring a prior written pledge of funds or other measurable, tangible property to the insured.
- G. "Fundraising expenses"** mean deposits forfeited and other charges paid by you for catering services, property and equipment rentals and related transport, venue rentals, accommodations (including travel), and entertainment expenses less any deposits or other fees refunded or refundable to you.
- H. "Identity theft"** means the act of knowingly transferring or using, without lawful authority, a means of identification of any director or officer (or spouse or "domestic partner" thereof) of the named insured with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local

PI-BELL-1 TX (11/09)

- law.
- I. "Identity theft expenses" mean:
1. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
 2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; and
 3. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
- J. "Improper acts" means any actual or alleged act of:
1. Sexual abuse;
 2. Sexual intimacy;
 3. Sexual molestation; or
 4. Sexual assault;
- committed by an insured against any natural person who is not an insured. Such "improper acts" must have been committed by the insured while in his or her capacity as an insured.
- K. "Injury" means any physical damage to the body caused by violence, fracture or an accident.
- L. "Key individual replacement expenses" mean the following necessary expenses:
1. Costs of advertising the employment position opening;
 2. Travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
 3. Miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up an employment contract.
- M. "Natural catastrophe" means hurricane, tornado, earthquake or flood.
- N. "Non-reimbursable expenses" means the following travel-related expenses incurred after a seventy-two (72) hour waiting period, beginning from the time documented on the proof of cancellation, and for which your director or officer produces a receipt:
1. Meals and lodging;
 2. Alternative transportation;
 3. Clothing and necessary toiletries; and
 4. Emergency prescription and non-prescription drug expenses.
- O. "Political unrest" means:

PI-BELL-1 TX (11/09)

1. A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risks to the security of citizens of the United States;
2. A long-term condition of disturbance, turmoil or agitation that makes a foreign country dangerous or unstable for citizens of the United States; or
3. A condition of disturbance, turmoil or agitation in a foreign country that constrains the United States Government's ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff

for which either an alert or travel warning has been issued by the United States Department of State.

- P. "Principal location" means the headquarters, home office or main location where most business is substantially conducted.
- Q. "Unforeseeable destruction" means damage resulting from a "certified act of terrorism," fire, collision or collapse which renders all of the insured's "principal locations" completely unusable.
- R. "Workplace violence" means any intentional use of or threat to use deadly force by any person with intent to cause harm and that results in bodily "injury" or death of any person while on the insured's premises.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRISIS MANAGEMENT ENHANCEMENT ENDORSEMENT

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

Solely for the purpose of this endorsement: 1) The words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. 2) The words "we," "us" and "our" refer to the company providing this insurance.

I. SCHEDULE OF ADDITIONAL COVERAGE AND LIMITS

The following is the Limit of Liability provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

Crisis Management Expense \$25,000

II. CONDITIONS

A. Applicability of Coverage

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable. All other terms and conditions of the policy or coverage part to which this endorsement is attached remain unchanged.

B. Limits of Liability or Limits of Insurance

When coverage is provided by this endorsement and any other coverage form or endorsement attached to this policy, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Liability or Limit of Insurance.

C. Claim Expenses

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

III. ADDITIONAL COVERAGES

A. We will reimburse you for "crisis management emergency response expenses" incurred because of an "incident" giving rise to a "crisis" to which this insurance applies. The amount of such reimbursement is limited as described in Section II. **CONDITIONS, B. Limits of Liability or Limits of Insurance.** No other obligation or liability to pay sums or perform acts or services is covered.

B. We will reimburse only those "crisis management emergency response expenses" which are incurred during the policy period as shown in the Declarations of the policy to which this coverage is attached and reported to us within six (6) months of the date the "crisis" was initiated.

PI-CME-1 (10/09)

IV. DEFINITIONS

- A. "Crisis" means the public announcement that an "incident" occurred on your premises or at an event sponsored by you.
- B. "Crisis management emergency response expenses" mean those expenses incurred for services provided by a "crisis management firm." However, "crisis management emergency response expenses" shall not include compensation, fees, benefits, overhead, charges or expenses of any insured or any of your employees, nor shall "crisis management emergency response expenses" include any expenses that are payable on your behalf or reimbursable to you under any other valid and collectible insurance.
- C. "Crisis management firm" means any service provider you hire that is acceptable to us. Our consent will not be unreasonably withheld.
- D. "Incident" means an accident or other event, including the accidental discharge of pollutants, resulting in death or serious bodily injury to three or more persons.
- E. "Serious bodily injury" means any injury to a person that creates a substantial risk of death, serious permanent disfigurement, or protracted loss or impairment of the function of any bodily member or organ.