

EMPLOYMENT PRACTICES INSURANCE

("Claims Made Basis")

THIS POLICY IS ISSUED BY YOUR RISK RETENTION GROUP. YOUR RISK RETENTION GROUP MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK RETENTION GROUP.

This policy covers Discrimination, Harassment and Inappropriate Employment Conduct liability within the terms, definitions, exclusions and conditions set forth below ("terms"). It has been issued in reliance upon statements made to us in the Application forming a part of this policy.

We have no duty to provide coverage under this policy unless there has been full compliance with all the provisions contained in this policy.

Throughout this policy, 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. The words "we," "us" and "our" refer to the underwriters providing this insurance.

READ THIS POLICY CAREFULLY TO DETERMINE THE EXTENT OF COVERAGE. IMPORTANT: THIS IS A CLAIMS MADE POLICY WHICH INCLUDES COSTS OF DEFENSE WITHIN THE COVERAGE LIMITS.

I. COVERAGE

1. We will pay **Loss** amounts that the Insured is legally obligated to pay your Employee or former Employee or an applicant for employment with you because of an Insured Event to which this policy applies. However, the amount we will pay is limited as described in the **COVERAGE LIMITS**, **SELF-INSURED RETENTION** and **CO-PAYMENT** sections.
2. This policy applies only if:
 - a) a Claim because of an Insured Event is first made against any Insured in accordance with the **WHEN COVERAGE IS PROVIDED** and **WHERE COVERAGE IS PROVIDED** sections; and
 - b) a Circumstance is first reported in accordance with the **WHEN COVERAGE IS PROVIDED** and **WHERE COVERAGE IS PROVIDED** sections; and
 - c) the Insured Event does not arise from a Circumstance of which any Insured had knowledge prior to the Inception Date of this policy.
3. **Defense.** We have the right and duty to defend any Claim for an Insured Event made or brought against any insured to which this policy applies. We have no duty to provide other services or take other actions. Our duty to defend any Claim ends when the **COVERAGE LIMITS** that apply have been exhausted.

You may take over control of any outstanding Claim previously reported to us only if we both agree that you should, or if a court orders you so to do.

If your **COVERAGE LIMITS** are exhausted, we will notify you of all outstanding Claims so that you can take over control of their defense. We will help transfer control to you.

4. **During the transfer of control.** We agree to take whatever steps are necessary to continue the defense of any outstanding Claim and avoid a default judgment during the transfer of control to you. If we do so, you agree that we do not waive or give up any of our rights. You also agree to pay reasonable expenses we incur for taking such steps after the **COVERAGE LIMITS** are exhausted.

5. **Duty to pay.** We have the duty to pay any Loss that results from any Claim, for an Insured Event to which this policy applies, made or brought against any Insured. Our duty to pay ends when the available **COVERAGE LIMITS** have been exhausted. We will not pay more than the applicable **COVERAGE LIMITS**.

We have the duty to pay Defense Costs incurred for the defense of any Claim controlled by us. Payment of Defense Costs is included in the **COVERAGE LIMITS**. Defense Costs are not in addition to the **COVERAGE LIMITS**.

We will pay Defense Costs before we pay any damages from an Insured Event.

6. **Consent to settle.** We have the right to investigate and settle any Claim in the manner and to the extent that we believe is proper; however, we will not settle any Loss without your consent. If you refuse to consent to any settlement recommended by us or our representatives and you elect to contest or continue any legal proceedings, then our liability shall not exceed the amount for which the Loss could have been settled including Defense Costs incurred with our consent, up to the date of such refusal.

II. DEFINITIONS

A. Insured

1. If you are shown in Item 1 of the Declarations as an individual, you and your spouse are Insureds only for the conduct of a business of which you are the sole owner.
2. If you are shown in Item 1 of the Declarations as a corporation or organization other than a partnership or joint venture, you are an Insured. Your stockholders are also Insureds, but only with respect to their liability as stockholders.
3. If you are shown in Item 1 of the Declarations as a partnership or joint venture, you are an Insured. Your partners are also Insureds but only for the conduct of your business. However, no person nor organization is covered for the conduct of any current or past partnership or joint venture not named in the Declarations.
4. Any organization that you newly acquire, form or merge with while this policy is in effect is an Insured if you own at least fifty-one percent (51%) of it, but no newly acquired or formed or merged organization is covered for more than thirty (30) days or the remainder of the policy period, whichever is less, from the date that you acquire or form it or for Loss that results from an Insured Event that happened or commenced before you acquired or formed it; or for Loss covered under any other insurance unless agreed by us within such thirty (30) day period. We may require an additional premium and/or an amendment in terms as a result of such acquisition or formation or merger.

This paragraph does not apply to a partnership or joint venture. Nor does it apply to any organization once it is shown in the Declarations.

5. Your Employees are Insureds only for the conduct of your business within the scope of their employment. Your Employee's status as an Insured will be determined as of the date of the act that caused the Insured Event.
6. This policy applies to each Insured shown in the Declarations as if that person were the only one shown there, and separately to each other Insured; however, the **COVERAGE LIMITS** shown in the Declarations are shared by all insureds. The **COVERAGE LIMITS** section explains how.

- B. Employee** means any executive officer, director or individual whose labor or service is engaged by and directed by the Insured. This includes part-time, seasonal and temporary Employees as well as any individual employed in a supervisory, managerial or confidential position. Independent contractors and sub-contractors are not Employees. Employees who are leased to another employer are not Employees.
- C. Insured Event** means your Employee or former Employee, or an applicant for employment with you alleging, during the policy period, Discrimination and/or Harassment and/or Inappropriate Employment Conduct by an Insured during the course of his or her employment by you. "Alleging" means lodging a complaint or charge with your management or supervisory Employee(s) or with any government agency, or commencing a civil action. **Insured Event** shall not include claims for actual or alleged violation of any federal, state or local wage and hour laws and regulations.
- D. One Insured Event** means (1) one or more covered allegations that are related by an unbroken chain of events; or (2) class action or other multiple plaintiff suits arising out of any Insured Event.
- E. Loss** means damages, judgment (including pre-judgment and post-judgment interest awarded against an Insured on that part of any judgment paid by us) settlements, statutory attorney fees, front pay, back pay and Defense Costs.

However, Loss does not include:

- (1) civil or criminal fines or penalties imposed by law that are not otherwise insurable because of State or Federal Law; or
- (2) matters that may be deemed uninsurable according to the law under which this policy is construed; or
- (3) non-monetary relief; or
- (4) payment of insurance plan benefits by or on behalf of retired Employees, or that to which a claimant would have been entitled as an Employee had the Insured provided the claimant with a continuation of insurance; or
- (5) costs incurred by an Insured to modify or adapt any building or property in order to make such building or property more accessible or accommodating to any disabled person; or costs associated with eliminating nonessential duties from the job description of a disabled person with reasonable workplace accommodations; and costs associated with post productivity by an employer as the result of making a reasonable workplace accommodation for a disabled person; or
- (6) amounts determined to be owing under an express contract of employment or an express obligation to make payments in the event of termination of employment, including, but not limited to, commission, profit sharing or benefits pursuant to a contract of employment, including, but not limited to, vacation, holiday and/or sick pay; or
- (7) punitive or exemplary damages; or
- (8) amounts owed under federal, state or local wage and hour law; or
- (9) severance payments.

F. Defense Costs means those reasonable and necessary expenses that result from the investigation, settlement or defense of a specific Claim, including attorney fees and expenses, the cost of legal proceedings, the cost of appeal bonds, the cost of bonds to release property being used to secure a legal obligation (but only for bond amounts within the **COVERAGE LIMITS** that apply; we have no obligation to furnish such bonds), all reasonable expenses that any Insured incurs at our request while helping us investigate or defend a Claim (we will not pay more than \$100 per day for earnings lost by the Insured because of time taken off work), and all costs taxed against any Insured in a suit.

However, **Defense Costs** does not include salaries and expenses of our employees, including employed attorneys; salaries and expenses of your Employees; fees and expenses of independent adjusters we hire; and interest that accumulates on the amount of a judgment.

G. Claim means notice received by the Insured or a written demand received by the Insured in which damages are alleged. Claim includes a civil action or an administrative proceeding in which damages are alleged or an arbitration proceeding for such damages to which you must submit or to which you submit with our consent. However, Claim does not include labor or grievance arbitration subject to a collective bargaining agreement.

H. Circumstance means an incident which, although it has not yet resulted in a Claim, may or is likely to, result in a Claim at some future date.

I. Discrimination means termination of the employment relationship, a demotion or failure or refusal to hire or promote or denial of an employment benefit or the taking of any adverse or differential position regarding employment because of race, color, religion, age, sex, disability, pregnancy, sexual orientation or national origin, or any other basis prohibited by federal, state or local law.

J. Harassment means unwelcome sexual or non-sexual advances, requests for sexual or non-sexual favors or other verbal or physical conduct of either a sexual or non-sexual nature that (1) are explicitly or implicitly made a condition of employment, (2) are used as a basis for employment decisions, or (3) create a work environment that interferes with performance.

K. Inappropriate Employment Conduct means:

1. actual or constructive termination of an employment relationship in a manner that is against the law and wrongful or in breach of an implied agreement to continue employment;
2. allegations of wrongful demotion, wrongful discipline or negligent employee evaluation;
3. allegations of misrepresentation made by an Employee, a former Employee or an applicant for employment that arise from an employment decision to hire, fire, promote or demote;
4. allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an Employee, former Employee or an applicant for employment that arise from an employment decision to hire, fire, promote or demote;
5. allegations of false imprisonment, detention or malicious prosecution made by an Employee, a former Employee or an applicant for employment that arise from an employment decision to hire, fire, promote or demote;

6. allegations of libel, slander, defamation of character or any invasion of right of privacy made by an Employee, a former Employee or an applicant for employment that arise from an employment decision to hire, fire, promote or demote;
7. retaliatory actions resulting in a failure or refusal to promote or denial of an employment benefit or the taking of any adverse or differential employment position.

Inappropriate Employment Conduct does not include damages determined to be owing under a written contract of employment or obligation to make payments, including, but not limited to, severance payments in the event of termination of employment. **Inappropriate Employment Conduct** shall not include any allegations other than those set forth in paragraphs 1-7 above.

- L. Punitive Damages** means any (1) fines, (2) penalties, (3) punitive damages, (4) exemplary damages or (5) damages resulting from the multiplication of compensatory damages that are part of Loss that results from any One Insured Event.
- M. Rightsizing Operations** means your instigation or publication of an intention to instigate, reorganization operations, downsizing operations, or closure of one or more plants or places of business operations resulting in termination, within any sixty (60) day period, of more than fifteen percent (15%) of the total number of Employees.
- N. Formal Mediation** means the non-binding process by which a qualified mediator, chosen with our agreement and by the parties involved in the Claim, meets and intercedes with the parties in order to reach a resolution. In order to be considered formal mediation under this policy, the process must be of a kind set forth in the Commercial Mediation Rules of the American Arbitration Association. We, at our sole option, may recognize any mediation process presented for approval. Litigation or mandatory arbitration agreements forming part of employment contracts are not considered to be part of the process.

III. EXCLUSIONS

1. **Workers' Compensation.** This policy does not cover any liability arising out of any obligation under any workers' compensation, disability benefits or unemployment compensation law, or any similar law. This exclusion does not, however, apply to any Claim for retaliation or Discrimination or Inappropriate Employment Conduct on account of the filing of a workers' compensation Claim or a Claim for disability benefits.
2. **Contractual Liability.** This policy does not cover any Loss that any Insured is obligated to pay by reason of the assumption of another's liability for an Insured Event in a contract or agreement. This exclusion does not apply to liability for damages because of an Insured Event that any Insured would have without the contract or agreement.
3. **Employee Retirement Income Security Act.** This policy does not cover any liability imposed on any Insured under the Employee Retirement Income Security Act of 1974 Public Law 93-406, or any amendment thereto.
4. **Strikes and Lockouts.** This policy does not cover any liability arising out of a strike, lockout, picket line replacement or other similar action resulting from labor disputes or labor negotiations, or any protections contained within the National Labor Relations Act.
5. **Consequential Loss.** This policy does not cover loss to any claimant's domestic partner, spouse, child, parent, brother or sister as a consequence of an Insured Event.
6. **Workers' Adjustment and Retraining Notification Act.** This policy does not cover any liability arising out of the Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988) or any amendment thereto, or any similar federal, state or local law.
7. **Punitive Damages.** This policy does not cover any liability arising out of any fines, penalties, punitive damages, exemplary damages, or any additional damages resulting from the multiplication of compensatory damages.

8. **Fair Labor Standards Act.** This policy does not cover any Loss arising out of the Fair Labor Standards Act of 1938 (except the Equal Pay Act), or any amendments thereto, or any similar federal, state or local law.
9. **Occupational Safety and Health Act.** This policy does not cover any Loss arising out of the Occupational Safety and Health Act of 1970 (29 U.S.C. 651, et seq.), or any amendments thereto, or any similar federal, state or local law, rule or regulation.
10. **Consolidated Omnibus Budget Reconciliation Act.** This policy does not cover any Loss arising out of the Consolidated Omnibus Budget Reconciliation Act of 1985, or any amendments thereto, or any similar federal, state or local law, rule or regulation.
11. **Downsizing, Reduction in Force or Change in Number of Employees.** This policy does not cover any Loss arising out of any reorganization, restructuring, reduction in force, change in number of Employees, downsizing operations or closure of one or more plants or places of business operations that results in the termination, or other change in employment terms, within any sixty (60) day period of more than ten percent (10%) of the total number of Employees measured at the inception of the policy, or five (5) Employees, whichever is the greater. However, this exclusion shall not apply if, prior to such downsizing, reorganization, restructuring, reduction in force, change in number of Employees or closure, the Insured consulted with and followed the recommendation of legal counsel experienced in employment law.
12. **Stock Options.** This policy does not cover any settlement, judgment or award resulting from, or attributable to, stock options, including, without limitation, (1) the failure to grant stock options and/or (2) amounts attributable to unvested stock options which options did not vest because of the actual or alleged wrongful termination of an Employee.
13. **Fraud, Collusion and Criminal Offenses.** This policy does not cover any Loss based upon, arising out of, directly or indirectly in connection with, related to, or in any way involving any Claim alleging fraud, collusion and/or criminal offenses involving a Named Insured, as shown in the Declarations to this policy and as defined in Section V of this policy.
14. **Prior Knowledge.** This policy does not cover those Claims arising out of Insured Events of which any Insured who is a principal, partner, officer, director, trustee, in-house counsel, Employee within the HR and Risk Management department or Employee with personnel and risk management responsibilities was aware by actual knowledge of the facts or circumstances of such Insured Events prior to the Prior Knowledge date, as shown in the Declarations.
15. **Prior Notice.** This policy does not cover any Claims arising out of Insured Events that have been the subject of any notice given under any other policy prior to the inception date of this policy.
16. **HIPAA.** This policy does not cover any Loss arising out of the Health Insurance Portability and Accounting Act of 1996 (HIPAA), 42 U.S.C. § 210, or any similar federal, state or local law.
17. **Unfair Business Practices.** This policy does not cover any Loss arising out of any Unfair Business Practices Act, including, without limitation, California Business and Professions Code Section 17200.

IV. WHEN AND WHERE COVERAGE IS PROVIDED

1. This policy applies only to Circumstances that are first reported to us or Claims because of an Insured Event, which are first made or brought during the policy period and reported to us during the policy period or during the Limited Reporting Period or Extended Reporting Period, if applicable.

A Claim will be considered first made or brought on the date we or any Insured receives a Claim, whichever comes first.

All Claims because of One Insured Event will be considered to have been made or brought on the date that the first of those Claims was first made or brought.

2. **Limited Reporting Period** means the thirty (30) day period starting with the end of the policy period during which Claims because of Insured Events may be first made or brought.

The Limited Reporting Period does not extend the policy period nor change the scope of coverage provided. Coverage under the Limited Reporting Period is limited to Claims because of Insured Events that happen prior to the expiration of the policy period, and which are otherwise covered by this policy.

3. **When the Limited Reporting Period will apply.** The Limited Reporting Period will apply if this policy is canceled or not renewed (a) by us for any reason other than non-payment of premium; or (b) by you for any reason. Coverage under the Limited Reporting Period may not be canceled.

A change in the premium or conditions we require shall not be deemed non-renewal by us.

4. **How to add an Extended Reporting Period.** If the Limited Reporting Period applies, an Extended Reporting Period can be purchased with the payment of an additional premium as follows:

- A. Twelve (12) months shall be at one hundred percent (100%) of the last annual policy premium.

The Extended Reporting Period will not be issued unless we receive a written request for it within thirty (30) days after this policy ends, nor will it take effect unless the additional premium is paid within thirty (30) days after this policy ends. Once that premium is paid, the Extended Reporting Period may not be canceled by us and the premium will be fully earned.

The Extended Reporting Period does not extend the policy period nor change the scope of coverage provided. Coverage under the Extended Reporting Period is limited to Claims because of Insured Events that happen prior to the expiration of the policy period, and which are otherwise covered by this policy.

5. **How the COVERAGE LIMITS apply to the Limited and Extended Reporting Periods.** The **COVERAGE LIMITS** that apply at the end of the policy period are not renewed or increased and the Total Limit shown in the Declarations shall not be increased by the addition of either Limited or Extended Reporting Periods. The Limited Reporting Period or Extended Reporting Period will not apply to Claims if other insurance you buy covers them or would cover them if its limits of coverage had not been exhausted.

V. WHERE COVERAGE IS PROVIDED

This policy covers Claims brought in the United States of America, its territories and possessions and Canada for Insured Events that happen anywhere in the world.

VI. COVERAGE LIMITS

The limits shown in Item 4 of the Declarations and the provisions contained in this section establish the most we will pay regardless of the number of Insureds, Claims made or brought, or persons or organizations making Claims or bringing suits.

- A. Each Insured Event Limit.** The limit shown in Item 4(a) of the Declarations is the most we will pay for Claims made or brought during the policy period for Loss that results from any One Insured Event regardless of the number of Claims.
- B. Total Limit.** The limit shown in Item 4(b) of the Declarations is the most we will pay for the total of all Claims first made or brought during the policy period for Loss that results from all Insured Events.
- C. How the COVERAGE LIMITS apply to an extension of the policy period.** The limits of this policy apply separately to each consecutive annual period and to any remaining period than twelve (12) months or less, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of twelve (12) months or less. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limits of liability.

VII. SELF-INSURED RETENTION

Our obligation to pay under this policy applies only to the amount of Loss in excess of any Self-Insured Retention amount shown in Item 5 of the Declarations, and the **COVERAGE LIMITS** will not be reduced by the amount of such Self-Insured Retention.

The Self-Insured Retention amount applies to all Claims arising out of any One Insured Event regardless of the number of claimants who allege damages.

In the event that:

- A. you consult and follow the recommendations of a Labor Relations counselor approved by us before Rightsizing Operations; or
- B. a Claim covered by this policy is fully and finally resolved through the process of Formal Mediation;

the Self-Insured Retention shown in the Declarations will be reduced by fifty percent (50%) subject to a maximum reduction of US \$50,000.

VIII. CO-PAYMENT

After the Self-Insured Retention shown in Item 5 of the Declarations has been paid by you, we will pay the balance of the Loss in excess of the percentage shown in Item 6 of the Declarations up to our proportion of the amount(s) shown in Item 4 of the Declarations.

IX. CONDITIONS

A. Duties in the Event of an Incident, Circumstance, Claim or Suit

1. You must see to it that we, or our authorized representative shown in Item 9 of the Declarations, are notified as soon as you become aware of an action that may result in a claim under the policy, but in no event more than thirty (30) days after any Insured who is a principal, partner, officer, director, trustee, in-house counsel, or employee with risk management or HR responsibilities becomes aware of a claim. Notice should include:
 - a) the identity of the person(s) alleging Discrimination, Harassment or Inappropriate Employment Conduct;
 - b) the identity of the Insured(s) who allegedly performed the Discrimination, Harassment or Inappropriate Employment Conduct;

- c) the identity of any witness to the alleged Discrimination, Harassment or Inappropriate Employment Conduct;
 - d) the date the Insured Event took place and the date the alleged Discrimination, Harassment or Inappropriate Employment Conduct took place; and
 - e) the written charge, complaint or demand referred to above.
2. If a Claim is made or suit is brought against any Insured you must:
 - a) immediately record the specifics of the Claim and the date received; and
 - b) notify us, or our authorized representative shown in Item 9 of the Declarations, within thirty (30) days.
 3. You and any other Insured must:
 - a) immediately send us, or our authorized representative shown in Item 9 of the Declarations, copies of any demands, notices, summonses or legal papers received in connection with the Claim;
 - b) authorize us, or our authorized representative shown in Item 9 of the Declarations, to obtain records and other information;
 - c) cooperate with us, or our authorized representative shown in Item 9 of the Declarations, in the investigation or defense of the Claim; and
 - d) assist us, or our authorized representative shown in Item 9 of the Declarations, upon our request, in the enforcement of any right against any person or organization that may be liable to the Insured because of injury or damage to which this policy may also apply.
 4. You and any other Insured must, as soon as practicable, advise us, or our authorized representative shown in Item 9 of the Declarations, of any Circumstance.
 5. No insured will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent. Subsequent payments that are deemed by us as having been prejudiced by any such voluntary payment will also be your sole responsibility.

B. Due Diligence

You shall at all times take all reasonable steps to avoid a Loss.

C. Legal Action Against Us

No person or organization has a right under this policy:

- a) to join us as a party or otherwise bring us into a suit asking for damages from an insured; or
- b) to sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an Insured obtained after a trial, but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable **COVERAGE LIMITS**. An agreed settlement means a settlement and release of liability signed by us, the Insured and the claimant or the claimant's legal representative.

D. Other Insurance

This policy is primary insurance which is not in excess of any other insurance or amounts except the amount shown in Item 5 of the Declarations and the percentage (if any) shown in Item 6 of the Declarations of the amount(s) shown in Item 4 of the Declarations. Nothing herein shall be construed to make this policy subject to the terms, conditions and limitations of other insurance but, if any other insurance is also primary and also applies to a Loss to which this policy applies, we will share with all such other insurance by the following method:

If all of such other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of liability or none of the Loss remains, whichever comes first.

If any of such other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its appropriate limits of the liability of all insurers.

E. Premium

Premium shown in Item 7 of the Declarations of this policy is an annual premium, which is not subject to adjustment except as provided for in Definition A.4 and Condition G.

F. Cancellation

You may cancel this policy by mailing to us, or our authorized representative shown in Item 9 of the Declarations, written notice stating when thereafter such cancellation shall be effective. We may cancel this policy by mailing to the Named Insured, at the address shown in this policy, written notice stating when not less than thirty (30) days thereafter such cancellation shall be effective. However, in the event of non-payment, we may cancel this policy by mailing to the Named Insured, at the address shown in this policy, written notice stating when not less than ten (10) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation as stated in the notice shall become the end of the policy period. Delivery of such written notice shall be equivalent to mailing.

If you cancel, earned premium shall be computed in accordance with the attached short rate cancellation table and procedure. If we cancel, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

G. Representations

By accepting this policy, you agree:

1. the statements in the Application and Declarations are accurate and complete;
2. those statements are based upon representations you made to us; and
3. we have issued this policy in reliance upon your representations.

H. When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the non-renewal not less than thirty (30) days before the expiration date.

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

I. Transfer of Rights of Recovery Against Others to Us

If an Insured has rights to recover all or part of any payments we have made under this policy, those rights are transferred to us; no Insured must do anything after a Loss to impair them. At our request, such Insured will bring suit or transfer those rights to us and help enforce them.

J. Bankruptcy

Bankruptcy or insolvency of any Insured or of any Insured's estate will not relieve us of our obligations under this policy.

K. False or Fraudulent Claims

If any insured shall proffer any Claim knowing the same to be false or fraudulent as regards amount or otherwise, this policy shall become void, and all Claims hereunder shall be forfeited.

L. Service of Suit

In the event of our failure to pay any amount claimed to be due hereunder, we, at your request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of our rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. Service of process in such suit may be made upon the firm shown in Item 8 of the Declarations, and, in any suit instituted against any one of us upon this policy, we will abide by the final decision of such court or of any appellate court in the event of an appeal.

The firm shown in Item 8 of the Declarations is authorized and directed to accept service of process on our behalf in any such suit and/or, upon your request, to give you a written undertaking that they will enter a general appearance upon our behalf in the event such a suit shall be instituted.

Further, pursuant to the statute of any state, territory or district of the United States which makes provision therefor, we hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as our true and lawful attorney, upon whom may be served any lawful process in any action, suit or proceeding instituted by or on your behalf or on behalf of any beneficiary hereunder arising out of this policy and hereby designate the aforesaid firm shown in Item 8 of the Declarations as the firm to whom the said officer is authorized to mail such process or a true copy thereof.

IN WITNESS WHEREOF, we have caused this Policy to be executed by our President and Secretary, but this Policy shall not be binding upon us unless completed by the attachment of the Declarations.



Secretary



President

SHORT RATE CANCELLATION TABLE

A. For Policies written for one year:

Days Insurance In Force	% of One Year Premium	Days Insurance In Force	% of One Year Premium	Days Insurance In Force	% of One Year Premium	Days Insurance In Force	% of One Year Premium
1.....	5	66 - 69	29	154 - 156	53	256 - 260	77
2.....	6	70 - 73	30	157 - 160	54	261 - 264	78
3 - 4	7	74 - 76	31	161 - 164	55	265 - 269	79
5 - 6	8	77 - 80	32	165 - 167	56	270 - 273 (9 Mths) ...	80
7 - 8	9	81 - 83	33	168 - 171	57	274 - 278.....	81
9 - 10.....	10	84 - 87	34	172 - 175	58	279 - 282	82
11 - 12	11	88 - 91 (3 Mths)	35	176 - 178	59	283 - 287	83
13 - 14	12	92 - 94	36	179 - 182 (6 Mths)	60	288 - 291	84
15 - 16	13	95 - 98	37	183 - 187	61	292 - 296	85
17 - 18	14	99 - 102	38	188 - 191	62	297 - 301	86
19 - 20	15	103 - 105.....	39	192 - 196	63	302 - 305 (10 Mths) ...	87
21 - 22	16	106 - 109	40	197 - 200	64	306 - 310	88
23 - 25	17	110 - 113	41	201 - 205	65	311 - 314	89
26 - 29	18	114 - 116	42	206 - 209	66	315 - 319	90
30 - 32 (1 Mth)	19	117 - 120	43	210 - 214 (7 Mths)	67	320 - 323	91
33 - 36	20	121 - 124 (4 Mths)	44	215 - 218	68	324 - 328	92
37 - 40	21	125 - 127	45	219 - 223	69	329 - 332	93
41 - 43	22	128 - 131	46	224 - 228	70	333 - 337 (11 Mths) ..	94
44 - 47	23	132 - 135	47	229 - 232	71	338 - 342	95
48 - 51	24	136 - 138	48	233 - 237	72	343 - 346	96
52 - 54	25	139 - 142	49	238 - 241	73	347 - 351	97
55 - 58	26	143 - 146	50	242 - 246 (8 Mths)	74	352 - 355	98
59 - 62 (2 Mths)	27	147 - 149	51	247 - 250	75	356 - 360.....	99
63 - 65	28	150 - 153 (5 Mths)	52	251 - 255	76	361 - 365 (12 Mths) 100	

B. For Policies written for less than one year:

If this Policy has been in force for 12 months or less, apply the short rate table to the full annual premium determined as for a Policy written for a term of one year.