



Policy Number: 7233722024

### BUSINESS EQUITY PROTECTION POLICY DECLARATIONS

#### ITEM 1. NAMED INSURED

Premium Payment Test

#### ITEM 2. POLICY PERIOD

a. Inception Date:

b. Expiration Date:

Both dates at 12:01 a.m. at the **named insured's** address in ITEM 1 above.

#### ITEM 3. COVERAGE PART PURCHASED

##### Coverage Part

##### Purchased

- a. Directors & Officers Termination Expense  Yes  No
- b. Employment Practices Termination Expense  Yes  No
- c. Miscellaneous Professional Termination Expense  Yes  No
- d. Disability Termination Expense  Yes  No

#### ITEM 4. LIMIT OF INSURANCE

##### Coverage Part

##### Limit of Insurance

- a. Directors & Officers Termination Expense
  - Partner \$150,000
  - Employee \$15,000 / \$30,000
- b. Employment Practices Termination Expense
  - Partner \$150,000
  - Employee \$15,000 / \$30,000
- c. Miscellaneous Professional Termination Expense
  - Partner \$150,000
  - Employee \$15,000 / \$30,000
- d. Disability Termination Expense
  - Partner \$150,000
  - Employee \$15,000 / \$30,000



**ITEM 5. UNDERLYING INSURANCE**

a. Directors & Officers Liability

Name of Insurer: **XXXXXXXX**

Policy Number: **XXXXXXXX**

b. Employment Practices Liability

Name of Insurer: **XXXXXXXX**

Policy Number: **XXXXXXXX**

c. Miscellaneous Professional Liability

Name of Insurer: **XXXXXXXX**

Policy Number: **XXXXXXXX**

d. Disability

Name of Insurer: **XXXXXXXX**

Policy Number: **XXXXXXXX**

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

**ITEM 7. NOTICES**

All notices required to be given to us under Section V. of the General Terms And Conditions section of this Policy must be addressed to:

**ADDRESS**

**ITEM 8. FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE**

**ITEM 9. PRODUCER INFORMATION**



## BUSINESS EQUITY PROTECTION POLICY

### DIRECTORS AND OFFICERS TERMINATION EXPENSE COVERAGE PART

In consideration of the payment of the premium, and subject to the Declarations, the General Terms and Conditions, and the terms, conditions and limitations of this Coverage Part, **we** and **you** agree as follows:

#### I. COVERAGE

**We** will reimburse the **named insured** for **termination expenses** incurred during the **policy period** and reported to **us** in accordance with Section V. REPORTING OF COVERED CLAIMS AND TERMINATION EXPENSES.

#### II. DEFINITIONS

A. **Claim** shall have the same meaning as in the policy stated in ITEM 5.a. of the Declarations.

B. **Covered claim** means a **claim** for a **wrongful act** for which directors and officers liability coverage is provided under the policy stated in ITEM 5.a. of the Declarations, provided that the **wrongful act** that gave rise to the **covered claim** occurred on or after the Inception Date of this Policy stated in ITEM 2.a. of the Declarations.

C. **Wrongful act** shall have the same meaning as in the policy stated in ITEM 5.a. of the Declarations.

#### III. EXCLUSIONS

This insurance does not apply to:

A. Any **termination of employment** that is not a direct result of a **covered claim**.

B. Any **claim** for which coverage is denied under the policy stated in ITEM 5.a. of the Declarations.

C. Any **claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **wrongful act** that occurred before the Inception Date of this Policy stated in ITEM 2.a. of the Declarations.

#### IV. ADDITIONAL DUTIES

In addition to the duties outlined in Section V. of the General Terms And Conditions, as a condition precedent to coverage under this Coverage Part, the named insured must provide us with all documentation of the covered claim as reasonably requested by us, including but not limited to:

A. A letter from the insurer stated in ITEM 5.a. of the Declarations confirming that a **claim** is covered by the policy stated in ITEM 5.a. of the Declarations.

B. A description of the **covered claim** and **wrongful act**.

C. Information on the time, place and nature of the **wrongful act**.

D. The manner in which the **named insured** first became aware of such **wrongful act**.

E. A description of the injury or damages that resulted from such **wrongful act**.



## BUSINESS EQUITY PROTECTION POLICY

### EMPLOYMENT PRACTICES TERMINATION EXPENSE COVERAGE PART

In consideration of the payment of the premium, and subject to the Declarations, the General Terms and Conditions, and the terms, conditions and limitations of this Coverage Part, **we** and **you** agree as follows:

#### I. COVERAGE

**We** will reimburse the **named insured** for **termination expenses** incurred during the **policy period** and reported to **us** in accordance with Section V. REPORTING OF COVERED CLAIMS AND TERMINATION EXPENSES.

#### II. DEFINITIONS

- A. **Claim** shall have the same meaning as in the policy stated in ITEM 5.a. of the Declarations.
- B. **Covered claim** means a **claim** for a **wrongful act** for which directors and officers liability coverage is provided under the policy stated in ITEM 5.a. of the Declarations, provided that the **wrongful act** that gave rise to the **covered claim** occurred on or after the Inception Date of this Policy stated in ITEM 2.a. of the Declarations.
- C. **Wrongful act** shall have the same meaning as in the policy stated in ITEM 5.a. of the Declarations.

#### III. EXCLUSIONS

This insurance does not apply to:

- A. Any **termination of employment** that is not a direct result of a **covered claim**.
- B. Any **claim** for which coverage is denied under the policy stated in ITEM 5.a. of the Declarations.
- C. Any **claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **wrongful act** that occurred before the Inception Date of this Policy stated in ITEM 2.a. of the Declarations.

#### IV. ADDITIONAL DUTIES

In addition to the duties outlined in Section V. of the General Terms And Conditions, as a condition precedent to coverage under this Coverage Part, the **named insured** must provide **us** with all documentation of the **covered claim** as reasonably requested by us, including but not limited to:

- A. A letter from the insurer stated in ITEM 5.a. of the Declarations confirming that a **claim** is covered by the policy stated in ITEM 5.a. of the Declarations.
- B. A description of the **covered claim** and **wrongful act**.
- C. Information on the time, place and nature of the **wrongful act**.
- D. The manner in which the **named insured** first became aware of such **wrongful act**.
- E. A description of the injury or damages that resulted from such **wrongful act**.



## BUSINESS EQUITY PROTECTION POLICY

### DISABILITY TERMINATION EXPENSE COVERAGE PART

#### I. COVERAGE

We will reimburse the **named insured** for **termination expenses** incurred during the **policy period** and reported to **us** in accordance with Section V. REPORTING OF COVERED CLAIMS AND TERMINATION EXPENSES.

#### II. DEFINITIONS

- A. **Covered claim** means a **disability** claim for which coverage is provided under the policy stated in ITEM 5.d. of the Declarations, provided that the **disability** that gave rise to the **covered claim** occurred on or after the Inception Date of this Policy stated in ITEM 2.a. of the Declarations.
- B. **Disability** shall have the same meaning as in the policy stated in ITEM 5.d. of the Declarations.

#### III. EXCLUSIONS

This insurance does not apply to:

- A. Any **termination of employment** that is not a direct result of a **covered claim**.
- B. Any claim for which coverage is denied under the policy stated in ITEM 5.a. of the Declarations.
- C. Any claim based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **disability** that occurred before the Inception Date of this Policy stated in ITEM 2.a. of the Declarations.

#### IV. ADDITIONAL DUTIES

In addition to the duties outlined in Section V. of the General Terms And Conditions, as a condition precedent to coverage under this Coverage Part, the **named insured** must provide **us** with all documentation of the **covered claim** as reasonably requested by us, including but not limited to:

- A. A letter from the insurer stated in ITEM 5.a. of the Declarations confirming that a **disability claim** is covered by the policy stated in ITEM 5.a. of the Declarations.
- B. Documentation of:
  - 1. The date the **disability** began;
  - 2. The cause of the **disability**; and
  - 3. The prognosis of the **disability**.
- C. All medical information, including reports of diagnostic testing and photocopies of medical records, including histories.



- D. Physical, mental or diagnostic examinations and treatment notes.
- E. The names and addresses of all:
  - 1. Physicians or other qualified medical professionals consulted by the **partner or employee**;
  - 2. Hospitals or other medical facilities in which the **partner or employee** has been treated; and
  - 3. Pharmacies which have filled the **partner's** or **employee's** prescriptions within the past three years.
- F. The **partner's** or **employee's** signed authorization for **us** to obtain and release medical, employment, and financial information (if applicable).

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SAMPLE



## BUSINESS EQUITY PROTECTION POLICY

### MISCELLANEOUS PROFESSIONAL TERMINATION EXPENSE COVERAGE PART

In consideration of the payment of the premium, and subject to the Declarations, the General Terms and Conditions, and the terms, conditions and limitations of this Coverage Part, we and you agree as follows:

#### I. COVERAGE

We will reimburse the **named insured** for **termination expenses** incurred during the **policy period** and reported to **us** in accordance with Section V. REPORTING OF COVERED CLAIMS AND TERMINATION EXPENSES.

#### II. DEFINITIONS

- A. **Claim** shall have the same meaning as in the policy stated in ITEM 5.a. of the Declarations.
- B. **Covered claim** means a **claim** for a **wrongful act** for which miscellaneous professional liability coverage is provided under the policy stated in ITEM 5.a. of the Declarations, provided that the **wrongful act** that gave rise to the **covered claim** occurred on or after the Inception Date of this Policy stated in ITEM 2.a. of the Declarations.
- C. **Wrongful act** shall have the same meaning as in the policy stated in ITEM 5.a. of the Declarations.

#### III. EXCLUSIONS

This insurance does not apply to:

- A. Any **termination of employment** that is not a direct result of a **covered claim**.
- B. Any **claim** for which coverage is denied under the policy stated in ITEM 5.c. of the Declarations.
- C. Any **claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **wrongful act** that occurred before the Inception Date of this Policy stated in ITEM 2.a. of the Declarations.

#### IV. ADDITIONAL DUTIES

In addition to the duties outlined in Section V. of the General Terms And Conditions, as a condition precedent to coverage under this Coverage Part, the named insured must provide us with all documentation of the covered claim as reasonably requested by us, including but not limited to:

- A. A letter from the insurer stated in ITEM 5.a. of the Declarations confirming that a **claim** is covered by the policy stated in ITEM 5.a. of the Declarations.
- B. A description of the **covered claim** and **wrongful act**.
- C. Information on the time, place and nature of the **wrongful act**.
- D. The manner in which the **named insured** first became aware of such **wrongful act**.
- E. A description of the injury or damages that resulted from such **wrongful act**.



## BUSINESS EQUITY PROTECTION POLICY

### GENERAL TERMS AND CONDITIONS

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to us, and subject to all of the terms and conditions of this Policy (including all endorsements attached hereto), the **named insured** and **we** agree as follows:

#### I. TERMS AND CONDITIONS

Except for these General Terms and Conditions or unless stated to the contrary in any Coverage Part of this Policy, the terms, conditions and limitations of each Coverage Part shall apply only to that Coverage Part. If any provision in these General Terms and Conditions is inconsistent or in conflict with the terms, conditions and limitations of any Coverage Part, the terms, conditions and limitations of such Coverage Part shall control for purposes of that Coverage Part. Any defined term referenced in these General Terms and Conditions and also defined in a Coverage Part, shall, for purposes of coverage under that Coverage Part, have the meaning ascribed to it in that Coverage Part.

#### II. DEFINITIONS

- A. Application means the application(s) attached to and forming part of this Policy, including any materials submitted and statements made in connection therewith, all of which are on file with us and are a part of this Policy, as if physically attached. If any **application** uses any term or phrase that differs from terms defined in this Policy, no inconsistency between any term or phrase used in the application and any term defined in this Policy will waive or change any of the terms and conditions of this Policy.
- B. **Change in exposure** means:
1. The addition of a new **partner** to the **named insured**;
  2. The acquisition of the **named insured** by another entity or person resulting in the ownership or control of more than fifty percent (50%) of:
    - a. The named insured's voting stock or voting rights; or
    - b. The named insured's total consolidated assets as of the date of the **named insured's** most recent audited consolidated financial statement prior to such acquisition;
  3. The **named insured** ceases to do business, is dissolved, sold, or acquired, or is merged into or consolidated with another entity such that the **named insured** is not the surviving entity;
  4. A receiver, liquidator, conservator, trustee, rehabilitator, or similar official is appointed for or with respect to the **named insured**; or
  5. The **named insured**:



- A. Acquires management control in an entity where the total assets of such entity are twenty-five percent (25%) or more of the **named insured's** total assets as set forth in the **application**; or
- B. Creates another entity, which as a result of such creation becomes a subsidiary;

and at the time of such acquisition or creation described in this Paragraph 5., the total number of employees of the acquired or created organization or entity exceeds twenty-five percent (25%) of the total number of **employees** of the **named insured** immediately prior to the acquisition or creation.

- C. Covered claim shall have the meaning ascribed to it in the applicable Coverage Part.
- D. **Employee** means any natural person who:
  - 1. Is in the regular service of the **named insured** in the ordinary course of the **named insured's** business pursuant to an express contract or agreement that:
    - a. Is between such natural person and the named insured; and
    - b. Governs the nature of the named insured engagement of such natural person; and
  - 2. The **named insured** compensates by salary, wage or commission.  
**Employee** does not include any **partner**, volunteer or any leased, temporary or seasonal worker.

E. **Named insured** means the entity shown in ITEM 1. of the Declarations.

F. **Partner** means the entity shown in ITEM 1. of the Declarations.

- 1. As a general partner of the named insured; or
- 2. To a management position with the named insured in accordance with the partnership agreement for the named insured.

G. Policy period means the period from the Inception Date of this Policy stated in ITEM 2.a. of the Declarations to the Expiration Date of this Policy stated in ITEM 2.b. of the Declarations or to any earlier cancellation of this Policy.

H. **Termination expenses** means:

- 1. The cost to purchase a partner's share of the named insured upon termination of employment as a direct result of a covered claim; and
- 2. Severance pay to an employee upon termination of employment as a direct result of a covered claim.



- I. **Termination of employment** means the end of employment by the **named insured**. **Termination of employment** does not include any demotion, promotion, change in title or status, reassignment of duties, temporary suspension or leave of absence.
- J. **We, us, and our** means the insurance company providing this insurance.

III. LIMITS OF INSURANCE

A. Partner Limit of Insurance

The Partner Limit of Insurance stated in ITEM 4. of the Declarations for any Coverage Part shall be the maximum amount we will pay for **termination expenses** for any one (1) **partner** under such Coverage Part.

If we pay termination expenses for any one (1) partner under any Coverage Part, all of our obligations under this Policy will be completely fulfilled and exhausted, this Policy is automatically terminated, and the premium for this Policy shall be fully earned.

B. Employee Limit of Insurance

1. Subject to Paragraph 2. below, the Employee Limit of Insurance stated in ITEM 4. of the Declarations for any Coverage Part shall be the maximum amount we will pay for **termination expenses** for any **employee** under such Coverage Part.

2. In no event will **we** pay **termination expenses** for more than two (2) **employees** during the **policy period**. In the event we pay **termination expenses** for two (2) **employees** during the **policy period**, no further coverage will be provided by this Policy for any **termination expenses** to any employee under any Coverage Part.

IV. NOTICE

A. Any notice to us with respect to any Coverage Part shall designate the Coverage Part under which notice is being given and shall be treated as notice only under the Coverage Part(s) so designated. Any notice to **us** under this Policy shall be effective on the date it is received by **us** at the address set forth in ITEM 7. of the Declarations.

B. Notice to us under any Coverage Part shall be provided to us in writing at the address set forth in ITEM 7. of the Declarations.

V. REPORTING OF COVERED CLAIMS AND TERMINATION EXPENSES

A. Reporting of Covered Claims

The **named insured** must, as a condition precedent to any right to coverage under this Policy, give us written notice of any **covered claim**. Such notice must be given to us during the **policy period**, and shall give full particulars of the **covered claim**, including, but not limited to:



1. A description of the **covered claim**.
2. The identity(ies) of the **partner** and/or **employee** involved in the **covered claim**.

B. Reporting of Termination Expenses

The **named insured** must, as a condition precedent to any right to coverage under this Policy, give **us** written notice of any termination expenses incurred during the **policy period**. Such notice must be given to us within thirty (30) days after the end of the policy period, and shall give full particulars of the termination **expenses**, including, but not limited to:

1. Documentation of **termination of employment** of the **partner or employee**.
2. Documentation of **termination expenses** paid by the **named insured** to the **partner or employee**.

VI. CHANGE IN EXPOSURE

- A. If there is a **change in exposure**, then coverage under this Policy will apply only if **we** agree to afford such coverage pursuant to Paragraph B. below.
- B. **We** may agree to extend the coverage if, within ninety (90) days after the **change in exposure**, the **named insured** provides any additional information, pays any additional premium and agrees to any additional term, condition or exclusion required by us for such extension of coverage. In such event, **we** will issue an endorsement to this Policy confirming such coverage extension.

VII. MISREPRESENTATIONS AND FRAUD

- A. The named insured represents that the particulars and statements contained in the application are true, accurate and complete, and agree that:
  1. This Policy, including each Coverage Part, is issued and continued in force by **us** in reliance upon the truth of such representation;
  2. Those particulars and statements are the basis of the coverage granted by this Policy, including each Coverage Part; and
  3. The **application** and those particulars and statements are incorporated in and form a part of this Policy.

The **named insured** agrees that in the event of any material untruth, misrepresentation or omission in connection with any of the particulars or statements in the **application**, this Policy, including any applicable Coverage Part, shall be void.

- B. The **named insured** agrees that this Policy shall be void in the event of any fraud, attempted fraud or false swearing at any time by the named insured relating to any matter under this Policy.

VIII. ASSISTANCE AND COOPERATION

In the event of a covered claim, the named insured shall provide us with all information, assistance and cooperation that we reasonably request. At our request, the named insured shall assist in investigating covered claims; securing and giving evidence; and obtaining the testimony of witnesses.



## IX. LEGAL ACTIONS

No action shall be taken against **us** by the **named insured** unless, as conditions precedent thereto, the **named insured** has fully complied with all of the terms of this Policy.

Provided that the condition precedent as described above is met, it is agreed by the named insured and us that the sole and exclusive remedy for any dispute or difference arising under or in connection with this Policy, whether before or after termination of this Policy, shall be submission to non-binding mediation and, if necessary, to binding arbitration.

Voluntary submission to mediation shall be initiated by the request of either the **named insured** or us to the American Arbitration Association ("AAA"). Such mediation shall be conducted by a mutually agreed upon mediator and in accordance with the applicable and then prevailing Insurance Mediation Procedures ("IMP") and any other applicable AAA commercial procedures and rules. The parties agree to make a good faith effort to resolve any dispute or difference through such mediation. Each party shall equally share the costs and expenses of the mediation.

If the dispute or difference is not fully resolved after the conclusion of the mediation, then it is mutually agreed that the dispute shall be submitted to binding arbitration before a panel of three arbitrators. The panel shall consist of an arbitrator appointed by the **named insured**, an arbitrator appointed by us, and a third arbitrator jointly-appointed by both parties. The party requesting arbitration shall notify the other in writing, including the name and contact information of their appointed arbitrator, and the other party shall respond within thirty (30) days of receipt of such notice in writing with the name and contact information of its appointed arbitrator. The third arbitrator shall be selected by the parties within thirty (30) days thereafter. The arbitration shall be conducted in accordance with the then prevailing AAA commercial arbitration rules and procedures, and shall take place in a mutually agreed upon location. A majority decision of the arbitrators shall be binding on both parties, and not subject to appeal except for grounds of fraud or gross misconduct. Each party shall bear the fees and expenses of its own appointed arbitrator, and shall jointly and equally share the expenses of the third arbitrator.

## X. SERVICE OF SUIT

In the event an action or proceeding arises under this Policy, it is agreed that **we**, at the **named insured's** request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver or limitation of the right to arbitration as set forth herein or 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 any state in the United States. It is further agreed that service of process in such suit may be made upon:

## ADDRESS



Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, we hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successors in office as **our** true and lawful agent in any action, suite, or proceeding instituted by or on behalf of the **named insured** or any beneficiary under this Policy and designate the above named as the person to whom such agent is authorized to mail such process.

#### XI. CHANGES

Notice to or knowledge possessed by any agent or other person acting on behalf of us shall not effect a waiver or change in any part of this Policy or prevent or estop **us** from asserting any rights under this Policy. This Policy can only be altered, waived, or changed by written endorsement issued to form a part of this Policy.

#### XII. ASSIGNMENT

No assignment of interest under this Policy shall bind us without our written consent issued as a written endorsement to form a part of this Policy.

#### XIII. CANCELLATION/NONRENEWAL

##### A. Cancellation by **Us**

**We** may cancel this Policy by mailing or delivering advance written notice to the **named insured** at the last known address shown on the Declarations at least:

1. Ten (10) days before the effective date of cancellation, if we cancel for nonpayment of premium; or
2. Thirty (30) days before the effective date of cancellation, if we cancel for any other reason.

If we cancel this Policy, earned premium will be computed pro rata.

##### B. Cancellation by the **Named Insured**

The **named insured** may cancel this Policy at any time by providing **us** written notice stating when, not later than the Expiration Date set forth in ITEM 2.b. of the Declarations, such cancellation will be effective. In such event, the earned premium will be computed in accordance with the customary short rate table and procedure. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

##### C. Automatic Termination

This Policy will automatically terminate if **we** pay **termination expenses** for any one (1) **partner**. In this event, all of our obligations under this Policy will be completely fulfilled and exhausted, and the premium for this Policy shall be fully earned.



D Nonrenewal

**We** will not be required to renew this Policy upon its expiration. If **we** elect not to renew this Policy, we will mail or deliver written notice to the **named insured** at the last known address shown on the Declarations at least thirty (30) days before the expiration of this Policy.

XIV. ENTIRE AGREEMENT

This Policy, including the **application**, Declarations and any endorsements, constitutes the entire agreement between the **named insured** and us or any of **our** agents relating to this insurance.

XV. OTHER INSURANCE OR INDEMNIFICATION

This Policy is specifically excess of and will not contribute with any other insurance or indemnification available to the **named insured**.

XVI. REIMBURSEMENT

As a condition precedent to coverage under this Policy, the **named insured** agrees not to re-employ any partner or employee for whom termination expenses have been paid under this Policy. In the event such terminated partner or employee is re-employed in any capacity by the **named insured**, the **named insured** shall promptly reimburse us for all such **termination expenses** paid by us under this Policy.

SAMPLE