

FORMER FEDERAL EMPLOYEE PROFESSIONAL LIABILITY INSURANCE POLICY CERTIFICATE (CLAIMS MADE & REPORTED)

This Policy covers Claims first made against you and reported to us in writing during the Policy Period.

Certain provisions in this Policy (“the Policy”) restrict coverage. Read the entire Policy carefully to determine the party’s respective rights, duties and to determine what is and is not covered. Any words used in this Policy which are capitalized and printed in bold have special meaning. Refer to section **II–DEFINITIONS** or the Declarations Page to determine how such words are defined.

I COVERAGE

A. Insuring Agreement

Subject to the Limit of Liability stated in Item 5 of the Declarations, the **Insurer** will pay on behalf of the **Insured** all **Damages** and **Claims Expenses** in excess of the **Deductible** which the **Insured** shall become legally obligated to pay as a result of a **Claim** for a **Wrongful Act** first made against the **Insured** during the **Policy Period** and reported to the **Insurer** in accordance with Section V of the Policy; provided always;

1. that the **Wrongful Act** which gave rise to the **Claim** occurs after the **Effective Date**; and
2. prior to the **Effective Date** the **Insured** had no knowledge of any facts and circumstances concerning the **Wrongful Act** that might reasonably be expected to result in a **Claim** prior to the **Policy Period**; and
3. there are no other certificates or policies pursuant to which the **Insured** is afforded any coverage for such **Claim**

B. Duty to Defend and Cooperation

The **Insured** has a duty to cooperate with the **Insurer** in seeking the representation of the Department of Justice in connection with any **Claim** against the **Insured** and the **Insurer** agrees to assist the **Insured** in seeking such representation. When the United States Department of Justice declines to defend an **Insured** for any **Claim** for a **Wrongful Act** covered under this Policy, then, subject to the **Limits of Liability** and the **Deductible** provided in the Declarations, the **Insurer** shall have the right and duty to defend such **Claim**, even if the allegations of the suit are groundless, false, or fraudulent.

When the United States Department of Justice assumes the defense of a **Claim** against an **Insured**, the **Insurer** may in its sole discretion retain an attorney to monitor and oversee the defense being provided by the Department of Justice. When the United States Department of Justice declines to defend an **Insured**, for any **Claim** for a **Wrongful Act** covered by this Policy, the **Insurer** shall designate an attorney on behalf

of the **Insured** to defend such **Claim** and retains the right to resolve the **Claim** as it deems expedient; however, the **Limit of Liability** provided by this Policy

shall include both **Damages** and **Claims Expenses** and the **Insurer** shall not be obligated to pay any **Claim** nor defend or continue to defend any **Claim** after the applicable Limit of the Liability has been exhausted by the payment of **Damages** and/or **Claims Expenses**.

The **Insured** shall not, except at his own cost, make a payment, assume any obligation, admit any liability or incur any expense in connection with a **Claim**. It is a condition precedent of the **Insurer’s** duty to defend that the **Insured** promptly respond to any questions the **Insurer** raises in order to confirm coverage. The **Insured** shall cooperate with the **Insurer** in the defense of any **Claim** to the full extent allowed by law. The **Insured** shall cooperate with the **Insurer** in enforcing any right of contribution or indemnity against any person or organization except against the United States of America or any of its agencies.

II DEFINITIONS

A. Bodily Injury shall mean bodily injury, sickness, or disease, or death arising out of, or related to, or caused by a **Wrongful Act**.

B. Claim shall mean any written demand or complaint received by an **Insured** in connection with a **Civil Proceeding** to hold the **Insured** personally liable for **Damages** or injunctive relief as a result of a **Wrongful Act**;

C. Claims Expenses shall mean:

1. Reasonable and necessary fees charged by an attorney designated by the **Insurer** to defend a **Claim**; and
2. All other reasonable and necessary fees, costs and charges resulting from the investigation, adjustment, defense, and appeal of a **Claim**, if incurred by us, or by you with our written consent, provided that we shall not be obligated to apply for or furnish appeal bonds.

The **Insurer’s** determination of what is considered reasonable and necessary **Claims Expenses** shall be conclusive. **Claims Expenses** do not include the **Insured’s** salary, wages or other employment benefits.

D. Civil Proceeding shall mean any proceeding brought by the United States Federal Government against any

Insured for a Wrongful Act as well as a **Congressional Investigation**.

- E. Congressional Investigation** shall mean an investigation conducted by a committee of either the United States House of Representatives or the Senate of the United States.
- F. Constitution** shall mean the constitution of the federal government of the United States of America
- G. Damages** shall mean compensatory and punitive damages, where insurable under the law, provided, however, such **Damages** shall not include:
1. Fines, statutory or other penalties imposed pursuant to statute or regulation; or
 2. Judgments or awards for any **Damages** deemed uninsurable by law
- H. Effective Date** means the Retroactive Date stated in Item 7 of the Declarations, or the effective date of continuous coverage for the **Insured** under this program, whichever is earlier.
- I. Insured** shall mean each individual who is a current member of the Retired Employees Risk Management Association; who as of the inception date of this Policy is a former employee of an agency of the Federal Government of the United States; who is presently engaged in the performance of **Professional Services**; and, who has been issued a valid certificate of insurance under this Master Policy.
- J. Insurer** shall mean the company listed in Item 2. of the Declarations.
- K. Master Policyholder** shall mean the entity named in Item 1.b of the Declarations.
- L. Policy Period** shall mean the period stated in Item 4 of the Declarations Page.
- M. Professional Services** shall mean the performance of work as a contractor for the federal government of the United States ("federal government") pursuant to a written contract with the federal government that provides that the **Insured** will perform services solely for the federal government for a fee; provided that the fee paid by the federal government pursuant to such contract does not exceed the amount of \$150,000 each year.
- N. Property Damage** shall mean damage to or destruction of property including loss of use thereof sustained by any person, persons or entity resulting from a **Wrongful Act**.
- O. Wrongful Act** shall mean any act, error or omission involving the performance of **Professional Services**.
- P. Related Wrongful Act** shall mean **Wrongful Acts** that are the same, related or continuous, or **Wrongful Acts** that arise from a common nucleus of facts. **Claims** can allege **Related Wrongful Acts** regardless of whether such **Claims** involve different claimants, **Insureds** or legal causes of action.
- Q. Waste** shall mean materials to be recycled, reconditioned or reclaimed including but not limited to **Pollutants**.

Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminants, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste.

III EXCLUSIONS

The **Insurer** is not obligated to pay **Damages** or **Claims Expenses** or to defend **Claims** arising out of, related to or involving:

- A.** Any obligation for which the **Insured** or any carrier as the insurer may be held liable under any workers' compensation, unemployment compensation, disability benefits law, or other similar law;
- B.** Gain, profit or advantage to which an **Insured** was not legally entitled; **Damages** and **Claims Expenses** arising out of any **Wrongful Acts** committed by or at the direction of the **Insured** which are dishonest, fraudulent, criminal, malicious or involve an intentional violation of the **Constitution** or any federal or state law, statute, ordinance, rule or regulation by an **Insured**. However, this exclusion shall not apply to **Claim Expenses** or to the duty of the **Insurer** to defend such **Claim** until there is a judgment, binding arbitration, adverse admission by, finding of fact against, or pleas of *nolo contendere* or no contest by or against the **Insured**, at which time the **Insured** shall reimburse the **Insurer** for any **Claims Expenses** paid by the **Insurer**;
- C.** Liability assumed by the **Insured** under any contract or agreement other than a contract for **Professional Services**; or any act, error or omission in connection with any services provided or work performed other than **Professional Services** pursuant to a written contract with the federal government ;
- D. Bodily Injury** or **Property Damage** arising out of the ownership, operation, or use of any motor vehicle, aircraft or watercraft owned by the Federal Government of the United States or property owned or occupied by or rented to the United States Federal Government or the **Insured**;
- E.** Any loss, cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants**:
1. At or from any premises, site or location, which is or was at any time owned or occupied by, or rented or loaned to, any **Insured**; or which is or was at any time used by or for any **Insured** or others for the handling, storage, disposal, processing or treatment of **Waste**;
 2. Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **Insured** or any person or organization for whom may be legally responsible; or
 3. At or from any premises, site or location on which any **Insured** or any contractors or subcontractors, working directly or indirectly on any **Insured's** behalf, are performing operations:

- a. if the **Pollutants** are brought on or to the premises, site or location in connection with such operations by such Insured, contractor or subcontractor; or
 - b. if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.
4. Any loss, cost or expense arising out of any:
- a. Request, demand or order that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
 - b. Claim or suit or **Civil Proceeding** or criminal proceeding by or on behalf of a governmental authority for **Damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or in any way responding to, or assessing the effects of **Pollutants**.
- F. 1.** Asbestos, asbestos fibers, or any material and/or substances containing asbestos, or any asbestos related **Bodily Injury, Property Damage, or Civil Proceeding**, civil litigation or criminal proceeding or exposure to asbestos, asbestos fibers or talc in any form, and/or manifestation of any asbestos related **Bodily Injury**, including but not limited to asbestosis, mesothelioma and/or bronchogenic carcinoma; or
2. Any alleged act, error or omission or duty involving asbestos, asbestos fibers or asbertiform talc or any material and/or substances containing asbestos, asbestos fibers or asbertiform talc, its use, exposure, presence, existence, detection, removal, elimination or avoidance; or
3. The use, exposure, presence, existence, detection, removal, elimination or avoidance of asbestos, asbestos fibers or asbertiform talc or any material and/or substances containing asbestos, asbestos fibers or asbertiform talc in any environment, building or structure.
- G.** Any loss, cost, or expense arising out of any claim, or suit or **Civil Proceeding** or criminal proceeding resulting from any **Professional Services** provided by the **Insured** requiring the possession or use of a firearm.

IV LIMITS OF LIABILITY

A. Limit of Liability

- 1. The **Insurer** shall be liable to pay **Damages** and **Claims Expenses** in excess of the applicable deductible up to the **Insured** Limit of Liability stated in item 5.A. of the Declarations.
- 2. The aggregate Limit of Liability set forth in item 5.A. of the Declarations shall be the maximum liability of the **Insurer** for all **Claims** made against an **Insured** during the **Policy Period** and Extended Reporting Period, if applicable, regardless of the time of payment or number of **Claims**.

- 3. The Limit of Liability stated in Item 5.A. of the Declarations is part of, and not in addition to the Master Policy Limit of Liability set forth in Item 5.B. of the Declarations. Any payment of **Damages** and/or **Claims Expenses** under shall serve to reduce the Master Policy Limit of Liability.

B. Master Policy Coverage–Limits

This Policy is issued to the **Master Policyholder** under an annual Master Policy and is subject to the **Master Policy Limit of Liability** listed in Item 5.B. of the Declarations. This is the most that the **Insurer** will pay for **Damages** and/or **Claims Expenses** reported by all **Insureds** combined during the **Policy Period** of the **Master Policy**.

- 1. The **Limit of Liability** shown in Item 5.B. of the Declarations is the maximum the **Insurer** will pay regardless of the number of **Insureds** or **Claims** made under the Master Policy.
- 2. The **Limit of Liability** shown in Item 5.B. of the Declarations Page will apply as follows:
 - a. The Limit shown as the annual aggregate per **Claim** is the most the **Insurer** will pay for the sum of all **Damages** and **Claims Expenses** arising out of any single **Claim** during the **Policy Period** of the **Master Policy**.
 - b. The Limit shown as the annual total aggregate is the most the **Insurer** will pay for the sum of all **Damages** and **Claims Expenses** for all **Claims** made and reported during the **Policy Period** of the Master Policy.

The payment of **Damages** and/or **Claims Expenses** will reduce the **Limit of Liability** available to pay for all **Claims** under the **Master Policy**. Multiple **Claims** made against a one or more **Insured** that arise out of the same or **Related Wrongful Acts** shall be treated as one **Claim**, first made when the earliest **Claim** was asserted and subject to the aggregate per Claim Limit of Liability set forth in item 5.B.a. of the Declarations.

V INSURED'S DUTIES IN THE EVENT OF A CLAIM

If there is a **Claim**, or a circumstance or incident likely to result in a **Claim**, the **Insured** must, as soon as practicable, but in no event later than 30 days after the expiration of the **Policy Period**, notify the **Insurer** in writing. Notice can be sent via Regular mail to:

Wright USA, Attn: Claims Department
706 Philadelphia Pike, Suite 1
Wilmington, DE 19809

Notice can be sent Via E-mail to:
claims@wrightusa.com
Fax to 703-341-4480

Written notice of a **Claim**, or a circumstance or incident likely to result in a **Claim** must contain particulars sufficient to identify the **Insured** the **Claim** is asserted against, and the

time, place and circumstances concerning the **Wrongful Act** giving rise to the **Claim**.

VI EXTENDED REPORTING PERIOD

The insurance provided under this Policy is extended to apply to **Claims** made against the **Insured** and reported during the 36 calendar months immediately following the expiration or termination of the certificate, but only for acts committed or alleged to have been committed during the **Policy Period**, and only under the following circumstances:

1. The Policy is canceled by the **Insurer** for a reason other than non-payment of premium; or
2. The **Insured** no longer purchases this coverage because they are no longer employed by the United States Federal Government.

The Extended Reporting Period does not extend the **Policy Period** or change the scope of coverage provided. The Extended Reporting Period does not reinstate or increase the Limits of Liability as stated on the Declarations Page. The Extended Reporting Period does not apply to **Claims** covered by any subsequent insurance the **Insured** purchases, or that would be covered but for exhaustion of the amount of insurance applicable to such **Claims**.

VII CONDITIONS

A. TERRITORY

This policy applies to **Wrongful Acts** committed or alleged to have been committed anywhere in the world, provided that the **Claim** is made and reported within the Commonwealths, territories, possessions of the United States, including the District of Columbia.

B. INTERRELATED WRONGFUL ACTS

Two or more **Claims** based upon, arising out of or attributable to the same or **Related Wrongful Acts** shall be considered and treated as a single **Claim** under the Policy regardless of whether made against one or more than one **Insured**. All such **Claims** shall be considered first made within the **Policy Period** in which the earliest of such **Claims** was first made, or deemed to be made and shall be subject to one **Limit of Liability** and **Deductible**.

C. ACTION AGAINST THE INSURER

No action shall extend against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of the policy, nor until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the **Insurer**. Nothing in this provision shall bar the **Insured** from seeking to enforce his rights under the policy in the absence of a judgment.

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. No person or organization shall have any right to join the **Insurer** as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the **Insurer** be impleaded by the **Insured** or his legal representative. Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve or increase the **Insurer's** obligations hereunder.

D. OTHER INSURANCE

The insurance under this Policy shall be excess over any other valid and collectible insurance or other legal rights of recovery available to the **Insured** under another policy or otherwise, including any indemnification provided by the Department of Justice or similar agency of the United States.

E. SUBROGATION

In the event of any payment under this policy, the **Insurer** shall be subrogated to all the **Insured's** rights of recovery thereof against any third party or organization and the **Insured** shall do whatever is necessary and allowed by law to secure such rights. In the event this Policy responds for **Defense Costs** or **Damages** on behalf of any **Insured** and thereafter, the **Insured** collects **Damages**, costs and/or attorney's fees from any third party, the **Insurer** shall be entitled to all such **Damages**, costs and/or attorney's fees so collected, up to the limit of its actual payment under this Policy.

F. CHANGES

Notices to any agent, or knowledge possessed by any agent or by any other person shall not effect a waiver, or change in part this Policy or stop the **Insurer** from asserting its right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy signed by a duly authorized agent of the **Insurer** and accepted by the **Master Policyholder**.

G. CANCELLATION

Coverage may be cancelled by the **Insured** by surrender of this Policy to the **Insurer** or any of its authorized agents or by mailing to the **Insurer** written notice stating when the cancellation shall be effective. This coverage may be cancelled by the **Insurer** by mailing to the **Insured** at the address shown in the Declarations written notice stating when not less than sixty (60) days thereafter such cancellation shall take effect. For non-payment of premium, cancellation may be issued upon ten (10) days written notice. Proof of the mailing of notice shall be sufficient proof of notice. The time of surrender or the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice, either by the **Insured** or by the **Insurer** shall be equivalent to mailing. Any notice of Cancellation to the **Master Policyholder** under the Conditions section

of the **Master Policy** shall be considered as notice to the **Insured's** of this policy.

Coverage may also be cancelled by the **Master Policyholder** by surrender of this policy to the **Insurer** or any of its authorized agents or by mailing to the **Insurer** written notice stating when thereafter the cancellation shall be effective. This coverage may be cancelled by the **Insurer** by mailing to the **Master Policyholder** at the address shown in the Declarations written notice stating when not less than ninety (90) days thereafter such cancellation shall take effect. For non-payment of premium, cancellation may be issued upon ten (10) days written notice. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the **Master Policyholder** or by the Insurer shall be equivalent to mailing. Any notice of Cancellation to the **Master Policyholder** under the Conditions section of the **Master Policy** shall be considered as notice to the **Insured's** of this policy.

H. ASSIGNMENT AND CONFORMITY WITH STATUTE

The **Insured's** interest in this Policy shall not be assignable. To the extent that the terms of this Policy are in conflict with the **Constitution**, laws or regulations of the United States and/or the laws and regulations of the state wherein this Policy is issued, the Policy is hereby amended to conform to such laws or regulations.

I. PREMIUM

All premiums shall be computed in accordance with the Program and shall be fully earned at policy inception.

J. DECLARATIONS

By acceptance of this Policy, the **Insureds** agree that the statements in the application are their representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the **Insureds** and the **Insurer** or any of their agents relating to this insurance.

SPECIMEN