ARCHITECTS AND ENGINEERS PROFESSIONAL LIABILITY POLICY

THIS IS A CLAIMS MADE AND REPORTED POLICY. THIS POLICY APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. THE CLAIM MUST BE REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD OR WITHIN 60 DAYS AFTER THE END OF THE POLICY PERIOD SHOWN IN THE DECLARATIONS UNLESS AN EXTENDED REPORTING PERIOD APPLIES. CLAIM EXPENSES ARE INCLUDED WITHIN AND REDUCE THE LIMIT OF LIABILITY. PLEASE REVIEW THIS POLICY CAREFULLY.

Words and phrases that appear in bold print have special meanings that are defined in Section III., DEFINITIONS.

I. INSURING AGREEMENTS

A. The Company will pay on behalf of the Insured all sums in excess of the deductible that the Insured becomes legally obligated to pay as damages and claim expenses as a result of a wrongful act in the performance of professional services anywhere in the world, provided that:

1. The claim arising out of a wrongful act must first be made against the Insured during the policy period or any applicable extended reporting period. A claim is considered first made when the Insured receives notice of the claim or when the Insured reports a circumstance in accordance with Condition VI.C., The Insured’s Rights And Duties In The Event Of A Circumstance;

2. The claim must be reported in writing to the Company during the policy period or within 60 days after the end of the policy period unless an extended reporting period applies;

3. The wrongful act occurred on or after the Retroactive Date in Item 7. in the Declarations; and

4. No officer, director, principal, partner, or insurance manager, as of the Knowledge Date in Item 8. in the Declarations, had a basis to believe that an act or omission might reasonably be expected to be the basis of a claim.

B. The Company has the right and duty to defend any claim against the Insured even if any of the allegations are groundless, false, or fraudulent. Defense counsel may be designated by the Company, or at the Company’s option, by the Insured with the Company’s written consent and subject to the Company’s guidelines. The payment of claim expenses reduces the applicable limit of liability. The Company is not obligated to defend, or continue to defend, any suit or pay any damages or claim expenses, or any combination thereof, after the applicable limit of liability has been exhausted by such payments.

C. The Company will not settle any claim without the Named Insured’s written consent, such consent not to be unreasonably withheld.

II. SUPPLEMENTARY PAYMENTS

A. Insured’s Reimbursement

The Company will reimburse the Insured up to $300 a day, subject to a maximum of $7,500 per claim, for the Insured’s actual loss of earnings for attendance, at the Company’s request, at a trial, hearing, or deposition involving a claim against the Insured.

B. Free Pre-Claim Assistance
The Company will pay for all costs or expenses the Company incurs until the date a claim is made as a result of investigating a circumstance reported by the Insured in accordance with Section VI.C., The Insured’s Rights And Duties In The Event Of A Circumstance.

C. ADA, FHA, OSHA and State Licensing Board Legal Expense Reimbursement

The Company will reimburse the Insured up to a maximum of $10,000 per action or related multiple actions, subject to a maximum of $30,000 per policy period for all actions for legal fees and expenses incurred in responding to:

Regulatory or administrative actions brought directly against the Insured by a government agency under the American’s With Disability Act of 1990 (ADA), the Fair Housing Act or the Occupational Safety and Health Act or;

Disciplinary hearings or administrative actions brought directly against the Insured before a state licensing or regulatory board,

Provided that the investigations, hearings, regulatory or administrative actions are first commenced during the policy period and result from the performance of the Insured’s professional services.

All payments made under this section are not subject to the deductible and are in addition to the limit of liability.

III. DEFINITIONS

Bodily Injury means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time. Bodily Injury also means mental illness, mental anguish, or emotional distress, pain or suffering, or shock sustained by that person, whether or not resulting from physical injury, sickness, disease or death of any person.

Claim means a demand for money or services, naming the Insured and alleging a wrongful act. A claim also includes the service of suit or the institution of an arbitration proceeding against the Insured.

Claim expenses means:

1. Fees charged by an attorney designated by the Company or designated by the Insured with the Company’s prior written consent;

2. All reasonable and necessary fees, costs, and expenses resulting from the investigation, adjustment, defense and appeal of a claim, if incurred by the designated attorney, the Company, or by the Insured with the Company’s written consent; and

3. Premiums on appeal bonds, attachment bonds or any similar bonds however the Company is not obligated to apply for or furnish any such bond.

Claim expenses do not include salaries of Company employees or officials, or fees and expenses of independent adjusters.

Damages means any compensatory sum the Insured is legally obligated to pay as a result of a wrongful act and includes judgements, awards and settlements. Damages do not include:

1. Fines or penalties imposed on the Insured;

2. Any return, withdrawal or reduction in professional fees;

3. Punitive damages except where insurable by law.
Extended reporting period means the period of time after the end of the policy period in which a claim resulting from a wrongful act that was committed prior to the end of the policy period may be reported to the Company and which is otherwise covered by this policy.

Insured means the Named Insured and:

1. Any past or present partner, officer, director, stockholder, employee, or member of the Named Insured while acting within the scope of their duties as such including any leased personnel under the Insured's direct supervision;

2. A retired partner, officer, director, stockholder, employee or member of the Named Insured while acting within the scope of their duties as a consultant for the Named Insured;

3. The estate, heirs, executors, administrators, assigns and legal representatives of any Named Insured, or any Insureds in paragraph 1. above, in the event of death, incapacity or bankruptcy but only to the extent such Named Insured or Insured would otherwise have been provided coverage under this policy;

4. Any entity newly formed or acquired by the Named Insured during the policy period in which the Named Insured has more than 50% legal or beneficial interest. However:
   a. The Company will only provide coverage for claims arising out professional services performed on or after the date of formation or acquisition;
   b. This coverage will expire within 90 days of such formation or acquisition or the end of the policy period, whichever is earlier, unless the Named Insured provides written details of such newly formed or acquired entity and pays the additional premium, if any.

5. Any joint venture entered into by the Insured but only with respect to the Insured's legal liability arising out of its participation in a joint venture. Insured does not include the joint venture itself or any other entity that is part of the joint venture.

Mediation means the non-binding intervention of a neutral third party.

Named Insured means the persons or entities specified in Item 1. in the Declarations.

Personal injury means injury arising out of one or more of the following:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. Wrongful eviction from, wrongful entry into or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies;
4. The publication or utterance of a libel or slander or other defamatory or disparaging statement or material, or a publication or utterance in violation of a person's right of privacy; except publications or utterances in the course of, which arise out of, result from or relate to advertising, broadcasting or telecasting activities conducted by or on behalf of any Insured.

Policy period means the period of time from the effective date shown in Item 3. in the Declarations to the earliest of the termination, expiration or cancellation of the policy.

Professional services means those services that the Insured is legally qualified to perform for others in the Insured's capacity as an architect, engineer, land surveyor, landscape architect, construction manager, scientist, technical consultant or as defined by endorsement to the policy.
Single claim means one or more claims arising out of a single wrongful act, or out of related wrongful acts.

Related wrongful acts means all wrongful acts that are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.

Wrongful act means an act, error, or omission in the performance of professional services for others by the Insured or by any entity or person for whom the Insured is legally liable.

IV. EXCLUSIONS

The Company will not defend or pay under this policy for damages or claim expenses arising out of:

A. Any dishonest, fraudulent, intentionally wrongful, criminal or malicious act or omission committed by or at the direction of the Insured.

B. The Insured's alleged liability under any contract or agreement except where such liability would have existed in the absence of such contract or agreement.

C. The cost to repair or replace faulty workmanship in any construction, erection, fabrication, installation, manufacture, or remediation performed by the Insured including the cost of any materials, parts, or equipment furnished in connection therewith.

D. Express warranties or guarantees. This exclusion does not apply to any guarantee that the Insured's professional services conform with the generally accepted standard of care applicable to that professional service.

E. The design or manufacture of any goods or products which are sold or supplied by the Insured or by others under license from the Insured. This exclusion does not apply to software sold or supplied by the Insured to its customer or client in connection with the Insured's provision of other professional services for that customer or client.

F. A claim made against the Insured by any entity:

1. That the Insured operates, manages, or controls; or

2. That operates, manages or wholly or partly owns the Insured; or

3. In which the Insured has a legal or beneficial interest in excess of 49%.

G. Personal injury or bodily injury sustained by any employee of the Insured arising out of employment by the Insured; or any obligation for which the Insured, or any carrier as the Insured's insurer must pay under any Unemployment Compensation, Workers' Compensation, Disability Benefits, Employers Liability or other similar laws.

H. Actual or alleged discrimination, humiliation, harassment or misconduct including but not limited to that which is based on an individual's race, religion, color, gender, sexual preference or orientation, national origin, age, disability, or marital status against a past or present partner, officer, director, stockholder, employee or member, or employment applicant of the Insured;

I. Any claim brought by or on behalf of one Insured against another Insured.

J. Nuclear reaction, radiation, or contamination within or originating from a site where a nuclear reactor is located or where nuclear material or waste is disposed.

V. LIMITS OF LIABILITY AND DEDUCTIBLES
A. Limits of Liability

1. Subject to paragraph 2. below, the limit of liability shown under Item 4. in the Declarations is the maximum amount the Company will pay for damages and claim expenses for each claim first made and reported in writing to the Company during the policy period.

2. The aggregate limit of liability shown under Item 4. in the Declarations is the maximum amount the Company will pay for damages and claim expenses for all claims first made and reported to the Company in writing during the policy period.

3. All claims constituting a single claim whenever made, will be considered first made during the policy period in which the earliest claim or reported circumstance was made to the Company in writing and all such claims or reported circumstances will be subject to the limit of liability of the policy period in which the earliest claim or reported circumstance was made to the Company in writing.

4. Claim expenses are subject to and included within the applicable limit of liability.

B. Deductibles

1. The each claim deductible shown under Item 5. in the Declarations is the maximum deductible the Named Insured is obligated to pay for the sum of damages and claim expenses resulting from a claim or single claim.

2. The annual aggregate deductible shown in Item 5. in the Declarations is the maximum deductible the Named Insured is obligated to pay for the sum of damages and claims expenses resulting from all claims first made and reported in writing to the Company during each consecutive twelve (12) months of the policy period beginning on the effective date identified in Item 3. in the Declarations.

3. If the Company and the Insured agree to use mediation and if the Company and the Insured resolve any claim by mediation, the Named Insured's deductible obligation will be reduced by 50% subject to a maximum reduction of $25,000. Deductible payments made prior to the application of the above credit will be reimbursed within 30 days of the resolution of the claim.

C. More than One Insured

The inclusion of more than one Insured in any claim will not increase the applicable limit of liability.

VI. CONDITIONS

A. First Named Insured As Sole Agent

The first Named Insured in Item 1. in the Declarations will be the sole agent and will act on behalf of all of the Insureds for the purpose of giving any notices, any amendments to or cancellation of the policy, for the completing of any applications and the making of any statements and representations, for the payment of premium and the receipt of any return premium that may become due under this policy, for the payment of the deductible and the exercising or declining to exercise any right under this policy including the purchase of any extended reporting period.

B. Insured’s Duties In The Event Of A Claim

In the event of a claim the Insured must do the following:

1. Notify the Company in writing as soon as reasonably possible during the policy period, or any applicable extended reporting period, or within 60 days after the end
of the policy period. Notice should be sent to the Company at the address stated in Item 9. in the Declarations;

2. Specify the names and addresses of the persons making a claim against the Insured and provide information describing the time, place, and nature of the claim;

3. Promptly forward to the Company all documents which the Insured receives in connection with the claim;

4. Fully cooperate with the Company or the Company’s designee in the making of settlement, the conduct of suits or other proceedings and enforcing any right of contribution or indemnity against another who may be liable to the Insured. When requested, the Insured will attend hearings and trials and assist in securing evidence and obtaining the attendance of witnesses;

5. Refuse, except solely at the Insured’s own cost, to voluntarily make any payment, assume or admit liability or incur any expense without the Company’s prior written consent;

6. Obtain the Company’s written consent prior to exercising any right the Insured may have under a professional services contract to reject or demand arbitration or other alternative dispute resolution process.

C. The Insured’s Rights And Duties In The Event Of A Circumstance

1. If, during the policy period, the Insured becomes aware of a circumstance that may reasonably be expected to be the basis of a claim and if the Insured, during the policy period, provides the Company with written notice containing:

   a. The nature of any possible injury or damages;

   b. What happened and the professional services the Insured provided;

   c. How the Insured first became aware of such circumstance; and

   d. The dates and entities involved;

then any claim that is subsequently made against the Insured arising out of such circumstance will be deemed to have been made on the date the Company received written notice of the circumstance.

2. The Insured will not, except solely at the Insured’s own cost, voluntarily make any payment, assume or admit liability or incur any expense without the Company’s prior written consent.

D. Innocent Insureds

If coverage under this policy would not apply because of Exclusion A. or because of noncompliance with Condition B., such Exclusion or Condition will not apply to any Insured who did not commit, participate in, or have knowledge of any of the acts described in Exclusion A. or whose conduct did not violate Condition B.

E. Subrogation

In the event of any payment of any claim under the policy, the Company will be subrogated in the amount of such payment to all of the Insured’s rights of recovery against any person or organization. The Insured must do everything reasonably necessary to secure these rights and must do nothing after a claim is made to jeopardize them. The Company hereby waives subrogation rights against the Insured’s client to the extent that the Insured had, prior to the claim or circumstance, a written agreement to waive such rights.
F. Premium

All premium charges under this policy will be computed according to the rules, rates, and rating plans which apply at the effective date of the policy period.

G. Examination And Audit

If the Company requests, the Insured agrees to allow the Company to examine and audit the Insured’s financial books and records that relate to this insurance. The Company may do this at any time during the policy period or up to three years after the end of the policy period.

H. Action Against The Company

1. No action may be brought against the Company concerning this policy unless, as a condition precedent to such action, the Insured has fully complied with all the terms of this policy, and the amount of the Insured’s obligation to pay has been decided.

2. Such amount can be decided either by final judgment against the Insured after actual trial, or by written agreement among the Insured, the Company, and the claimant. Such action must be brought against the Company in two years, or during any applicable statute of limitations for the bringing of such action, whichever is longer.

3. No person or entity has any right under this policy to include the Company in any action against the Insured to determine the Insured’s liability, nor will the Company be brought into such action by the Insured or the Insured’s representative.

I. Bankruptcy Or Insolvency

The bankruptcy or insolvency of the Insured or the Insured’s estate will not relieve the Company of any of its obligations under this policy.

J. Changes

Notice to any agent of the Company or knowledge possessed by any such agent or any other person will not act as a waiver or change in any part of this policy. It also will not prevent the Company from asserting any rights under the provisions of this policy. None of the provisions of this policy will be waived, changed, or modified except by written endorsement issued by the Company to form a part of this policy.

K. Assignment

The interests of the Insured under this policy may not be assigned without the Company’s express written consent.

L. Other Insurance

This policy is excess over any other valid and collectible insurance, self insurance, or indemnification agreement available to the Insured whether such other insurance is stated to be primary, contributory, excess, contingent, self-insured or otherwise unless such other insurance is written specifically excess of this policy by reference in such other policy to the policy number in this policy’s Declarations. When such other insurance available to the Insured has been issued for a specific project or projects, this policy will not respond until the limit of liability of such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent, self-insured or otherwise, has been exhausted.

M. Cancellation/Nonrenewal
1. This policy may be cancelled by the first **Named Insured** by giving the Company written notice stating when, thereafter, such cancellation will be effective. If the first **Named Insured** cancels on any anniversary of the effective date of the **policy period** stated in Item 3. in the Declarations, the earned premium will be calculated on a pro rata basis. If the first **Named Insured** cancels on any other date, the unearned premium will be calculated on a standard short rate basis for the year of cancellation and on a pro rate basis for any subsequent year.

2. This policy may be cancelled by the Company for fraud, material misrepresentation or nonpayment of premium or may be nonrenewed by the Company by sending written notice to the first **Named Insured** at the last address known to the Company. The Company will provide written notice at least 60 days before cancellation or nonrenewal is to be effective except for nonpayment of premium in which case the Company will provide 10 days written notice prior to cancellation. The earned premium will be calculated on a pro rata basis.

3. Notice of cancellation or nonrenewal will state the effective date and, in the case of cancellation, the reason for cancellation. The **policy period** will end on that date. If notice is mailed, proof of mailing will be sufficient notice.

VII. EXTENDED REPORTING PERIOD

A. If this policy is terminated for any reason other than fraud, material misrepresentation or nonpayment of premium the first **Named Insured** may purchase an **extended reporting period**.

B. To exercise this right, the first **Named Insured** must write to the Company within 60 days of the termination requesting the purchase of an **extended reporting period** and pay the premium to the Company promptly when due. The premium for the **extended reporting period** will be developed in accordance with the rules, rates, and rating plans then in effect for the Company.

C. The **extended reporting period** will be for a period of one year or as otherwise required by the regulatory guidelines governing this type of insurance in the **Insured’s** state.

D. The limit of liability applicable to the **extended reporting period** will be the limit of liability remaining under the terminated policy or as otherwise required by the regulatory guidelines governing this type of insurance in the **Insured’s** state.

E. The **extended reporting period** will not apply to any pending **claim** or proceedings; any paid **claim**; any **professional services** rendered after the effective date of the **extended reporting period**; or **claims** that are covered under any subsequent insurance purchased by the **Insured**, or that would be covered but for exhaustion of the limits of liability applicable to such **claims**.

VIII. LIBERALIZATION

If the company adopts any revision to this form during the **Policy Period** that would broaden coverage without additional premium, the broadened coverage will apply to this policy at the inception date of the next anniversary, but it will not apply to **Claims** that were first made against the **Insured** prior to the effective date of such revision.