
**THIS IS A CLAIMS MADE COVERAGE WITH DEFENSE EXPENSES INCLUDED
IN THE LIMIT OF LIABILITY. PLEASE READ ALL TERMS CAREFULLY.**

I. INSURING AGREEMENTS

A. EMPLOYMENT PRACTICES LIABILITY COVERAGE

The Company will pay on behalf of the **Insured, Loss** that the **Insured** is legally obligated to pay on account of an **Employment Claim** first made against the **Insured** during the **Policy Period**, or applicable Extended Reporting Period, for a **Wrongful Employment Practice** occurring before or during the **Policy Period**.

B. THIRD PARTY CLAIM COVERAGE

If ITEM 5 of the Declarations indicates that Third Party Claim Coverage is applicable, the Company will pay on behalf of the **Insured, Loss** that the **Insured** is legally obligated to pay on account of a **Third Party Claim** first made against the **Insured** during the **Policy Period**, or applicable Extended Reporting Period, for a **Third Party Wrongful Act** occurring before or during the **Policy Period**.

C. OUTSIDE POSITION LIABILITY COVERAGE

The Company will pay on behalf of an **Insured Person** serving in an **Outside Position, Loss** that such **Insured Person** is legally obligated to pay on account of an **Employment Claim** first made against such **Insured Person** during the **Policy Period**, or applicable Extended Reporting Period, for a **Wrongful Employment Practice** occurring before or during the **Policy Period**.

II. DEFINITIONS

Where appearing in this **Liability Coverage**, in either the singular or plural, words or phrases appearing in bold type have the following meanings:

- A. Claim** means an **Employment Claim**, or solely with respect to Insuring Agreement B, a **Third Party Claim**.
- B. Claimant** means: (i) a past, present, or future **Employee**, or an applicant for employment with the **Insured Organization**; (ii) a governmental entity or agency, including the Equal Employment Opportunity Commission (EEOC), or similar domestic or foreign agency, when acting on behalf of, or for the benefit of, a past, present, or future **Employee** or applicant for employment with the **Insured Organization**; or (iii) an **Independent Contractor**.
- C. Discrimination** means: (i) a violation of an employment discrimination law; or (ii) the disparate treatment of, or the failure or refusal to hire, a **Claimant** or **Outside Claimant** because he or she is, or alleges to be, a member of a class that is legally protected.
- D. Employee** means a natural person whose labor or service is engaged and directed by the **Insured Organization**, and: (i) is on the payroll of the **Insured Organization**, including in-house general counsel, or any other full-time, part-time, or seasonal worker; (ii) is a volunteer or temporary worker; or (iii) whose services have been leased by the **Insured Organization**.
- Independent Contractors** are not **Employees**. The status of an individual as an **Employee** is determined as of the date of the alleged **Wrongful Act**.
- E. Employment Agreement** means an express or implied employment agreement, other than a collective bargaining agreement or partnership agreement, regardless of the basis in which the agreement is alleged to exist.
- F. Employment Claim** means:
1. a written demand for monetary damages or nonmonetary relief, including injunctive relief, commenced by the **Insured's** receipt of such demand;
 2. a civil proceeding, commenced by the service of a complaint or similar legal document;

3. a criminal proceeding, commenced by the return of an indictment or similar legal document;
4. a formal administrative or formal regulatory proceeding, commenced by the **Insured's** receipt of a written notice of filed charges or formal investigative order, or the service of a summons or similar document, including a proceeding before the EEOC, or similar government agency; provided that in the context of an audit conducted by the Office of Federal Contract Compliance Programs, **Employment Claim** will be limited to a Notice of Violation, Order to Show Cause, or a written demand for monetary damages or nonmonetary relief;
5. an arbitration, mediation, or similar alternative dispute resolution proceeding, commenced by the receipt of a complaint, arbitration demand, or similar legal document, if the **Insured** is obligated to participate in such proceeding, or the **Insured** agrees to participate in such proceeding with the Company's written consent, which will not unreasonably be withheld; or
6. a written request to toll or waive a statute of limitations relating to any of the above, commenced by the **Insured's** receipt of such written request,

for a **Wrongful Employment Practice** against: (i) an **Insured** by, on behalf of, or for the benefit of a **Claimant**; or (ii) an **Insured Person** serving in an **Outside Position** by, on behalf of, or for the benefit of an **Outside Claimant**. An **Employment Claim** is deemed to be made when it is first set forth above.

Employment Claim does not include any labor or grievance arbitration, or other proceeding, pursuant to a collective bargaining agreement.

- G. **Executive Officer** means a natural person while serving as the chief executive officer, managing partner, chief financial officer, chief investment officer, chief compliance officer, in-house general counsel, risk manager, member of the staff of the human resources department, or the functional or foreign equivalent of the **Insured Organization**.
- H. **Independent Contractor** means a natural person, who is not an **Employee** and performs labor or services for the **Insured Organization** pursuant to a written contract. The status of a natural person as an **Independent Contractor** is determined as of the date of the alleged **Wrongful Act**.
- I. **Insured** means **Insured Persons** and **Insured Organizations**.
- J. **Insured Organization** means the **Named Insured** and **Subsidiaries**, including any such entity as a debtor in possession under the U.S. Bankruptcy Code, Chapter 11, or its foreign equivalent.
- K. **Insured Person** means a natural person who was, is, or becomes an **Employee**, or a duly elected or appointed director, officer, trustee, principal, managing or general partner, board of managers member, management committee member, or the functional or foreign equivalent position of the **Insured Organization**.
- L. **Loss** means: (i) **Defense Expenses**; and (ii) damages, judgments, settlements, prejudgment and postjudgment interest, back and front pay, or legal fees and expenses of a **Claimant** or **Outside Claimant** that an **Insured** is legally obligated to pay as a result of a **Claim**; provided that with respect to the multiple portion of a multiplied damage award, or punitive or exemplary damages, **Loss** only includes such damages to the extent they are insurable under the law of a jurisdiction that is most favorable to the insurability of such damages and has a substantial relationship to the **Insured, Claim, Company, or this Liability Policy**.

Loss, other than **Defense Expenses**, does not include any amount that constitutes:

1. civil or criminal fines; sanctions; liquidated damages, other than liquidated damages awarded under the Age Discrimination in Employment Act or the Equal Pay Act; payroll or other taxes; or damages, penalties or types of relief deemed uninsurable under applicable law;
2. future compensation, including salary or benefits, for a **Claimant** or **Outside Claimant** who has been, or will be hired, promoted, or reinstated to employment pursuant to a settlement, court order, judgment, award, or other resolution of a **Claim**; or if the **Insured** has been ordered, or has the option pursuant to a judgment, order, or other award or disposition of a **Claim**, to promote, accommodate, reinstate, or hire the **Claimant** or **Outside Claimant** to whom such sums are to be paid, but fails to do so, then that part of any judgment or settlement that constitutes front pay, future monetary losses, including pension and other benefits, or other future economic relief or the value or equivalent thereof;
3. **Stock Benefits**, or the value thereof; or

4. medical, pension, disability, life insurance, or other similar employee benefits, except and to the extent that a judgment or settlement of a **Claim** includes a monetary component measured by the value of medical, pension, disability, life insurance, or other similar employee benefits as consequential damages for a **Wrongful Act**.

Loss does not include any amount that an **Insured** is absolved from paying, or is allocated to uncovered loss pursuant to the General Terms and Conditions, section III. CONDITIONS, J. ALLOCATION.

M. Outside Claimant means:

1. a past, present, or future **Outside Employee**, or an applicant for employment with an **Outside Entity**;
2. a governmental entity or agency, including the Equal Employment Opportunity Commission or similar federal, state, or local agency, when acting on behalf of, or for the benefit of, present or former **Outside Employees** or applicants for employment; or
3. a natural person independent contractor who performs labor or service for the **Outside Entity** pursuant to a written contract or agreement, where such labor or service is under the exclusive direction of the **Outside Entity**.

N. Outside Employee means a natural person whose labor or service is engaged by and directed by an **Outside Entity** and:

1. is on the payroll of an **Outside Entity**, including in-house general counsel, or any other full-time, part-time, or seasonal worker;
2. is a volunteer or temporary worker; or
3. whose services have been leased by the **Outside Entity**.

The status of an individual as an **Outside Employee** is determined as of the date of the alleged **Wrongful Employment Practice**.

O. Outside Entity means: (i) a non-profit entity, other than a **Subsidiary**, as described under the Internal Revenue Code of 1986 §§ 501(c)(3), 501(c)(4), or 501(c)(10); or (ii) an entity designated as such by endorsement to this **Liability Coverage**.

P. Outside Position means service by an **Insured Person** as a director, officer, trustee, member of the board of managers, member of the board of regents, member of the board of governors, or the functional or foreign equivalent position of an **Outside Entity**, but only while such service is with the knowledge, consent, and at the specific request of the **Insured Organization**.

Q. Retaliation means an actual or alleged **Wrongful Termination** of, or other adverse employment action against, a **Claimant** or **Outside Claimant** on account of his or her: (i) exercise, or attempted exercise, of rights protected by law; (ii) refusal to violate any law; (iii) disclosure, or threatened disclosure, of violations of the law to a superior or governmental agency; or (iv) testimony in, or assistance or cooperation with, a proceeding or investigation regarding alleged violations of law.

R. Sexual Harassment means actual or alleged unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature that: (i) is made a term or condition of a **Claimant's** or **Outside Claimant's** employment or advancement; (ii) the submission to, or rejection of, is used as a basis for decisions affecting the **Claimant** or **Outside Claimant**; or (iii) has the purpose or effect of creating an intimidating, hostile, or offensive work environment.

S. Stock Benefit means compensation provided to **Employees** in the form of equity or debt securities, or the right to purchase such securities, including any grant of stock, restricted stock, stock options, warrants, phantom stock, stock appreciation rights, or performance shares.

T. Third Party Claim means:

1. a written demand for monetary damages or nonmonetary relief, including injunctive relief, commenced by the **Insured's** receipt of such demand;
2. a civil proceeding commenced by the service of a complaint or similar pleading;
3. a formal administrative or formal regulatory proceeding, commenced by the filing of a notice of charges, a formal investigative order, service of a summons, or similar document;

4. an arbitration, mediation, or similar alternative dispute resolution proceeding commenced by the receipt of a complaint, arbitration demand, or similar document, if the **Insured** is obligated to participate in such proceeding or the **Insured** agrees to participate in such proceeding, with the Company's written consent, which will not unreasonably be withheld; or
5. a written request to toll or waive a statute of limitations relating to any of the above, commenced by the **Insured's** receipt of such written request,

for a **Third Party Wrongful Act** against an **Insured** by or on behalf of, or for the benefit of, any natural person other than a **Claimant**. A **Third Party Claim** is deemed to be made when it is commenced as set forth above.

Third Party Claim does not include a labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement, or any type of criminal proceeding.

- U. Third Party Wrongful Act** means, with respect to a natural person other than a **Claimant**, actual or alleged unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature that violates the civil rights of such person.
- V. Wage and Hour Law** means the Fair Labor Standards Act of 1938, or any domestic or foreign law or regulation governing, or related to: (i) the payment of wages, including the payment of overtime, on-call time, or minimum wages; (ii) meal periods or rest breaks; (iii) the reimbursement of employment-related expenses; or (iv) the classification of employees for the purpose of determining employees' eligibility for compensation under such laws.
- W. Workplace Harassment** means any actual or alleged harassment, other than **Sexual Harassment**, that creates a work environment that interferes with job performance, or creates an intimidating, hostile, or offensive work environment.
- X. Wrongful Act** means:
1. a **Wrongful Employment Practice** occurring in the course of, or arising out of, a **Claimant's** employment, application for employment, or performance of services with the **Insured Organization**;
 2. a **Wrongful Employment Practice** by an **Insured Person** in his or her **Outside Position** occurring in the course of, or arising out of, an **Outside Claimant's** employment, application for employment, or performance of services with an **Outside Entity**; or
 3. solely with respect to Insuring Agreement B, a **Third Party Wrongful Act**.
- Y. Wrongful Employment Practice** means any actual or alleged:
1. **Discrimination**;
 2. **Retaliation**;
 3. **Sexual Harassment**;
 4. **Workplace Harassment**;
 5. **Wrongful Termination**;
 6. breach of an **Employment Agreement**;
 7. violation of the Family Medical Leave Act;
 8. employment-related misrepresentation;
 9. employment-related defamation, including libel or slander, or invasion of privacy;
 10. failure or refusal to employ or promote, including the wrongful failure to grant bonuses or perquisites;
 11. wrongful discipline, wrongful demotion, denial of training, deprivation of career opportunity, denial or deprivation of seniority, or wrongful evaluation;
 12. employment-related wrongful infliction of emotional distress; or

13. in connection with 1-12 above: (i) negligent hiring, training, retention, or supervision of others, actually or allegedly committed by an **Insured**; or (ii) failing or refusing to create or enforce adequate workplace or employment policies and procedures; provided that the **Claim** alleging such acts is brought by, on behalf of, or for the benefit of, a **Claimant** or **Outside Claimant**.

Z. **Wrongful Termination** means the actual, alleged, or constructive termination of an employment relationship between a **Claimant** and an **Insured Organization**, or between an **Outside Claimant** and an **Outside Entity**: (i) in a manner, or for a reason, that is contrary to applicable law or public policy; or (ii) in violation of an **Employment Agreement**.

III. EXCLUSIONS

A. EXCLUSIONS APPLICABLE TO ALL LOSS

1. BODILY INJURY, PERSONAL INJURY, AND PROPERTY DAMAGE

- a. The Company will not be liable for **Loss** on account of a **Claim** for bodily injury, sickness, disease, death, or loss of consortium; provided that this will not apply to that portion of a **Claim** seeking **Loss** for emotional distress, mental anguish, humiliation, or loss of reputation.
- b. The Company will not be liable for **Loss** on account of a **Claim** for damage to, or destruction of, tangible or intangible property or data, including the loss of the use of such property or data.

2. ERISA

- a. The Company will not be liable for **Loss** on account of a **Claim** for: (i) a violation of the Employee Retirement Income Security Act of 1974 (ERISA), or similar domestic or foreign law, in connection with an employee benefit plan sponsored by the **Insured Organization** for the benefit of **Employees** or **Outside Employees**; or (ii) an **Insured's** failure or refusal to establish, contribute to, pay for, insure, maintain, provide benefits pursuant to, enroll, or maintain the enrollment of, **Employees**, **Outside Employees**, or their dependents in any employee benefit plan, fund, or program, including contracts or agreements not subject to the provisions of ERISA.

Exclusion A.2 will not apply to **Claims** for **Retaliation**.

3. INDEPENDENT CONTRACTOR AGREEMENTS

The Company will not be liable for **Loss** on account of a **Claim** for liability under an agreement governing the terms of the labor or service of: (i) an **Independent Contractor**, temporary worker of the **Insured Organization**, or employee whose services are leased by the **Insured Organization**; or (ii) a natural person independent contractor who performs labor or service solely for an **Outside Entity** on a full-time basis pursuant to a written contract or agreement.

4. LIABILITY ASSUMED UNDER CONTRACT OR AGREEMENT

The Company will not be liable for **Loss** on account of a **Claim** for liability of others assumed by an **Insured** under an oral or written contract or agreement, except to the extent that the **Insured** would have been liable in the absence of such contract or agreement.

5. OTHER EMPLOYMENT LAWS

- a. The Company will not be liable for **Loss** on account of a **Claim** for the violation of: (i) the responsibilities, duties, or obligations under any law concerning Social Security, unemployment insurance, workers' compensation, disability insurance, or any similar domestic or foreign law; or (ii) the Worker Adjustment and Retraining Notification Act (WARN), Occupational Safety and Health Act (OSHA), Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), National Labor Relations Act (NLRA), or similar foreign or domestic law.
- b. Exclusion A.5 will not apply to **Claims** for **Retaliation**.

6. PARTNERSHIP AGREEMENT

The Company will not be liable for **Loss** on account of a **Claim** based upon or arising out of an express or implied agreement of partnership, including, an agreement regarding allocation of shares, ownership rights or interests, distribution of profits or losses, contributions of capital, or any other financial relationship between or among individuals who are parties to such agreement.

7. POLLUTION

- a. The Company will not be liable for **Loss** based upon or arising out of a **Claim**: (i) for the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of a **Pollutant**; (ii) for any request, demand, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of a **Pollutant**; or (iii) brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to or assessing the effects of a **Pollutant**.
- b. Exclusion A.7 will not apply to a **Claim** for **Retaliation**.

8. PRIOR NOTICE

The Company will not be liable for **Loss** on account of a **Claim** based upon or arising out of any fact, circumstances, situation, event, **Wrongful Act**, or **Related Wrongful Act** that has been the subject of any written notice given by, or on behalf of, any **Insured** under any employment practices liability, or other similar insurance.

9. PRIOR OR PENDING PROCEEDING

The Company will not be liable for **Loss** on account of a **Claim** based upon or arising out of any fact, circumstance, situation, event, **Wrongful Act**, or **Related Wrongful Act**, underlying or alleged in a prior or pending civil, criminal, administrative, or regulatory proceeding, including a mediation, arbitration, or other alternative dispute resolution against an **Insured**, as of, or prior to, the applicable Prior or Pending Proceeding Date set forth in ITEM 5 of the Declarations for this **Liability Coverage**.

10. WAGE AND HOUR

- a. The Company will not be liable for **Loss** on account of a **Claim** for the violation of responsibilities, duties, or obligations imposed on an **Insured** under any **Wage and Hour Law**.
- b. Exclusion A.10 will not apply to: (i) a **Claim** for **Retaliation**; or (ii) an actual or alleged violation of the Equal Pay Act.

B. EXCLUSIONS APPLICABLE TO ALL LOSS, OTHER THAN DEFENSE EXPENSES

1. EMPLOYMENT AGREEMENT

The Company will not be liable for **Loss**, other than **Defense Expenses**, on account of a **Claim** seeking: (i) severance pay, damages, or penalties under an express written **Employment Agreement**, or under any policy or procedure providing for payment in the event of separation from employment; or (ii) sums sought solely on the basis of a claim for unpaid services.

2. EQUITABLE RELIEF

The Company will not be liable for **Loss**, other than **Defense Expenses**, on account of a **Claim** seeking costs to comply with an order, judgment, or award of injunctive or other equitable relief, or the portion of a settlement encompassing injunctive or other equitable relief, including actual or anticipated costs associated with, or arising from, an **Insured's** obligation to provide reasonable accommodations under, or otherwise comply with, the Americans With Disabilities Act, the Rehabilitation Act of 1973, or similar domestic or foreign law or regulation.

IV. CONDITIONS

A. OUTSIDE POSITIONS - LIMIT OF LIABILITY

If a **Claim** against an **Insured Person** gives rise to an obligation both under this **Liability Coverage** and other insurance issued by the Company, or any of its affiliates, to an **Outside Entity**, the Company's maximum liability for **Loss** on account of such **Claim** will not exceed the largest single available limit of liability under such applicable insurance.