



Insurance Agents Professional Liability Policy Form Summary of Changes

INSURING AGREEMENTS

Preamble

Throughout the policy the words you and your refer to **Insured** (rather than **Named Insured** as it did on the previous version)

Insuring Agreement A [PROFESSIONAL LIABILITY]

Removed from the paragraph "provided that prior to the inception date of this policy, no **Insured** knew, nor could have reasonably foreseen, that the **Professional Incident** might result in a **Claim**." This is now addressed under Prior Knowledge exclusion.

OLD Insuring Agreement B. Defense and Settlement

Defense and Settlement provision was moved to Section VIII.

DEFINITIONS

Claim

- Includes demand non-monetary or injunctive relief
- Includes arbitration proceedings against an **Insured** resulting from **Professional Incident**

Claim Expenses

Now includes post-judgment interest. Removed \$250/day up to \$5K in compensation for attendance at legal proceedings (*improved coverage and moved into Section X. OTHER PAYMENTS*)

Damages

Added most favorable venue for punitive or exemplary damages (where insurable by law)

Insured

Added:

- Heirs, estate, executors, administrators, legal reps
- Spouses or legally recognized domestic partners
- Newly acquired entities whose assets are <25% of the Named Insureds (auto); newly acquired Entities whose assets are >25% of our Named Insured (by endt. subject to underwriting and additional premium). See Section XI. N. Change in Risk

Professional Services

Added: "for a fee, commission or other consideration"

Related Claims

Defines related claims

Subsidiary

Added reference to Change in Risk provision (newly acquired/created entities)

EXCLUSIONS

Auto, Marine, Aviation; Nuclear /Pollution; Cost Guarantees

Deleted in their entirety

Sexual Abuse / Discrimination / Workers Compensation / Employment Laws

Combined into one exclusion [Excl. D]; and added carve back for an otherwise covered **Professional Incident**

Bodily Injury and Property Damage Intellectual Property Sexual Abuse / Discrimination / Workers' Compensation / Employment Laws Contractual Liability Governmental Actions Fee Disputes

Carve-back for an otherwise covered **Professional Incident**

Prior Knowledge

Since we removed reference to knowledge from the Insuring Agreement, we added a Prior Knowledge exclusion which specifically outlines what constitutes knowledge.

Commingling of Funds

Updated existing exclusion to clarify that intentional acts are excluded (in the past any type of commingling, misappropriation was excluded).

Carrier Insolvency

Amended the definition to include insolvency carve back for A or better Demotech Ratings on top of current B+ or better AM Best rating.

Ability to remove insolvency exclusion subject to underwriting.

Notary Public

Improved by offering defense carve back

Unsolicited Communications

Built into the Form (previously added by default endorsement)

SUPPLEMENTARY PAYMENTS

Disciplinary Proceeding

We will reimburse up to \$50K in **Fines and Penalties** resulting from a covered **Disciplinary Proceeding**. Defense is not covered. Payments under this provision are in addition to Limit of Liability and not subject to any deductible.

Subpoena

We'll pay up to \$10K in subpoena expenses which are related to the performance of **Professional Services**, but do not arise from any **Claim** against an **Insured**.

P.S If subpoena is the result of a covered **Claim** against an **Insured**, then it would be a **Claims Expense**.

OTHER PAYMENTS

Pre Claim Assistance

With our prior written consent, we will pay all costs or expenses for the purposes of investigating, mitigating or avoiding a potential **Claim** which may result from a **Professional Incident**. Payments under this provision are in addition to Limit of Liability and not subject to any deductible.

Court Attendance Costs

We'll reimburse the **Insured** \$500/day up to \$10K per **Policy Period** in reasonable and necessary court attendance expenses, if they are required to attend such hearings. Payments under this provision are in addition to Limit of Liability and not subject to any deductible.

CONDITIONS

Cancellation

Provision has been improved in favor of the **Named Insured** by including the following:

- a. 10 days before the effective date of cancellation for nonpayment of premium or deductible; or
- b. 30 days before the effective date of cancellation for material misrepresentation or fraud; or
- c. 60 days before the effective date of cancellation for any other reason

Application

No knowledge possessed by any **Insured** shall be imputed to any other **Insured**, except for material facts or information known to the person(s) who signed the application. No coverage for person(s) who misrepresented.

CONDITIONS (CONT.)

Change in Risk

If **Insured** is not the surviving entity, then policy goes into run off until Policy expiration date. If **Insured** acquires/creates another entity (that's 50% or more owned) then:

- If assets of new entity are less than 25% of the **Named Insured's** assets and if all business lines and insurance products provided by such entity fall within the scope of the **Professional Services** of the **Named Insured**, then coverage is automatic (retro of acquisition/creation).
- If assets of new entity are greater than 25% of the **Named Insured's** assets, then they must provide detailed information (within 60 days) about this entity, we must carefully underwrite to the exposure and secure a NKLL and specifically issue an endorsement confirm coverage, otherwise no coverage applies.

Defense and Settlement

80/20 Hammer (previously 50/50)

CYBER

Broad Form Cyber Extension [EO1301] now available in the place of the old endorsement with broader first party coverage at a \$25K sublimit with the ability to increase up to \$250K.

NEWLY AVAILABLE ENDORSEMENTS

(Subject to Underwriting)

EO1401: Cyber Liability Extension

EO1405: Additional Insured – Cluster Agents

EO1407: Amendment to Excl. P – Index Fund Sublimit

EO1408: Amended – Optional Extended Reporting Period
[provides up to 5 years, % field is unlocked to make changes]

EO1409: 30 day Notice of Cancellation to Designated Organizations

EO1417: Insolvency Deleted – Schedule of Carriers

EO1418: Deletion of Insolvency Exclusion [in its entirety].