

IN THE UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF GEORGIA
MACON DIVISION

VC MACON GA, LLC,)	
)	
Plaintiff,)	
)	Case No. 5:18-cv-00388-TES
v.)	Hon. Tilman E. Self III
)	
VIRGINIA COLLEGE, LLC, and)	
EDUCATION CORPORATION OF)	
AMERICA,)	
)	
Defendants.)	
_____)	

**DECLARATION OF BRIENNE M. LETOURNEAU IN SUPPORT OF
AVY STEIN, CHRISTOPHER BOEHM, AND STUART REED’S OPPOSITION TO
THE RECEIVER’S MOTION TO MONITOR THE USE OF
THE PROCEEDS OF THE D&O INSURANCE POLICIES**

I, Brienne M. Letourneau, declare as follows under penalty of perjury:

1. I am counsel for the D&O Defendants. I am a partner with Willkie Farr & Gallagher LLP and am a member in good standing of the State Bar of Illinois. I am admitted to practice before this Court *pro hac vice* in the Receiver Action. I have personal knowledge of the facts set forth below.

2. I submit this declaration on behalf of the D&O Defendants to place before the Court documents and information relevant to Avy Stein, Christopher Boehm, and Stuart Reed’s Opposition to the Receiver’s Motion to Monitor the Use of the Proceeds of the D&O Insurance Policies. Dkt. 498.

3. On March 31, 2021, John F. Kennedy, the Receiver for the Receivership Estate of Education Corporation of America, Virginia College, LLC, & New England of Business and Finance, LLC (collectively, “ECA”) (the “Receiver”), filed an action in this Court against Avy

Stein, a former director of ECA, Christopher Boehm, a former director and officer of ECA, and Stuart Reed, a former director and officer of ECA (collectively, “D&O Defendants”), captioned *John F. Kennedy, solely in his capacity as Receiver for the Receivership Estate of Education Corporation of America, Virginia College, LLC, & New England College of Business and Finance, LLC v. Avy Stein, an individual; Chris Boehm, an individual; and Stuart Reed, an individual*, Case No. 5:21-cv-00106-TES (“Receiver Action”).

4. On September 3, 2018, AIG Specialty Insurance Company issued Policy No. 01-825-10-59 (“AIG Policy”) to ECA. Exhibit 1. This \$10 million primary policy provides coverage to ECA’s directors and officers (“Coverage A” or “Side A” coverage), as well as coverage to ECA (“Coverage B” or “Side B” coverage). *Id.* at 27, 99.¹ In addition, it provides \$1 million in excess Side A coverage solely to pay claims against ECA’s directors and officers. *Id.* at 99.

5. There are four excess policies that together provide \$40 million in additional “Side A” and “Side B” coverage (together with the AIG policy, the “Side A & B Policies”), all of which were also issued on September 3, 2018. These include the following: (a) a \$10 million Starr Indemnity & Liability Company Policy 1000059620181 (Exhibit 2); (b) a \$10 million Argo Group US Policy MLX 7602784-1 (Exhibit 3); (c) a \$10 million Zurich American Insurance Policy MPL 0183905-03 (Exhibit 4); and (d) a \$10 million Nationwide Policy XMF 1802431 (Exhibit 5).

6. Three policies sit above the Side A & B Policies and provide an additional \$30 million in coverage for ECA’s directors and officers (the “Side A Policies”) and include the following: (a) a \$10 million XL Specialty Insurance Company Policy ELU 157380-18 (Exhibit 6); (b) a \$10 million Markel American Insurance Company Policy MKLM6MXM000022 (Exhibit 7);

¹ Pincite citations to insurance policies are to pages of the relevant PDF, which may differ from the internal pagination of the respective policies.

and (c) a \$10 million National Union Fire Insurance Company of Pittsburgh, Pa. Policy 01-871-22-13 (Exhibit 8).

7. The Policies include the following provisions concerning the insurer's distribution of policy proceeds in connection with the order-of-payment provision or other policy terms:

if a ... receivership ... is commenced by [ECA] (whether voluntarily or involuntarily) under ... state or federal receivership ... statute or law ... related to insolvency (collectively, "Insolvency Law") then, in regard to a covered Claim under this Policy, the Insureds hereby: (a) waive and release any automatic stay or injunction to the extent it may apply in such proceeding to the proceeds of this Policy under such Insolvency Law and (b) agree not to oppose or object to any efforts by the Insurer or any Insured to obtain relief from any stay or injunction to the extent applicable to the proceeds of this Policy as a result of the commencement of such proceeding.

Ex. 1 at 46; Ex. 2 at 4, 12; Ex. 3 at 3; Ex. 4 at 7; Ex. 5 at 3; Ex. 6 at 22; Ex. 7 at 8; Ex. 8 at 3.

8. The Policies further provide that "[t]he Insurer shall advance Defense Costs" incurred by ECA's directors and officers "on a current basis and, in any event, no later than sixty (60) days after the receipt of invoices of such Defense Costs." Ex. 1 at 28; Ex. 2 at 4, 12; Ex. 3 at 3; Ex. 4 at 7; Ex. 5 at 3; Ex. 6 at 22; Ex. 7 at 8; Ex. 8 at 3.

9. After the Receiver served the D&O Defendants with his Motion, I communicated with David O'Brien, a partner at Peabody & Arnold LLP and outside counsel to AIG, and Richard F. Ferrigno, Financial Lines/D&O Claims Manager for Starr Adjustment Services, Inc., and requested that they provide information regarding payees from the AIG and Starr policies and the amounts paid to each. The information they provided is included in the following table:

PAYEE	AIG PROCEEDS	STARR PROCEEDS	TOTAL PROCEEDS PAID
Maynard, Cooper & Gale, P.C. <i>Counsel to ECA</i>	[REDACTED]	[REDACTED]	[REDACTED]
Skadden, Arps, Slate, Meagher & Flom LLP <i>Counsel to Stein and Reed (Student and Employee Arbitrations)</i>	[REDACTED]	[REDACTED]	[REDACTED]
Willkie Farr & Gallagher LLP <i>Lead Counsel to Stein, Boehm, and Reed (Monroe and Receiver Actions)</i>	[REDACTED]	[REDACTED]	[REDACTED]
Ferguson Law Firm, LLP <i>Settlement Payments – Student and Employee Arbitration Claims</i>	[REDACTED]	[REDACTED]	[REDACTED]
Arbitration and Mediation Fees	[REDACTED]	[REDACTED]	[REDACTED]
Womble Bond Dickinson US LLP <i>Counsel to Former ECA Officers and Employees Named in Monroe Action</i>	[REDACTED]	[REDACTED]	[REDACTED]
Alston & Bird LLP <i>Counsel to Former ECA Directors Named in Monroe Action</i>	[REDACTED]	[REDACTED]	[REDACTED]
Kirkland & Ellis LLP <i>Counsel to Stein – Student Arbitration Claims</i>	[REDACTED]	[REDACTED]	[REDACTED]
Consilio Inc. <i>eDiscovery Vendor for Stein, Boehm, and Reed</i>	[REDACTED]	[REDACTED]	[REDACTED]
Stone & Baxter, LLP <i>Local counsel to Stein, Boehm, and Reed in Receiver Action</i>	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]



11. The D&O Defendants’ lead and local counsel and, on information and belief, other law firms and service providers, have invoiced additional fees to the D&O insurers that remain unpaid.

The Monroe Action

12. On February 27, 2020, Monroe Capital Senior Secured Direct Loan Fund LP; Monroe Capital Senior Secured Direct Loan (Unleveraged) LP; Monroe Capital Private Credit Fund II, LP; Monroe Capital Private Credit Fund II (Unleveraged) LP; Monroe Capital Partners Fund LP; and Monroe Capital Corporation (collectively, “Monroe”) filed a complaint against the D&O Defendants and several other former ECA directors, officers, and affiliates, in the Circuit Court of Cook County, Illinois. *Monroe Capital Senior Secured Direct Loan Fund, LP, et al. v. Avy Howard Stein, et al.*, No. 2020 L 2475 (Ill. Cir. Ct.) (the “Monroe Action”).

13. In Counts I and II of their original complaint, Monroe alleged that the D&O Defendants fraudulently misrepresented and concealed information in order to induce Monroe to make a \$40 million equity investment in ECA on September 3, 2015. In Counts III and IV, Monroe alleged that, after Monroe’s investment on September 3, 2015, the D&O Defendants made misrepresentations and concealed information regarding ECA’s performance in order to convince Monroe not to exercise its purported contractual right to take control over ECA. Monroe seeks damages based on the value of its \$40 million dollar equity investment, as well as the value of ECA that allegedly would have been preserved had Monroe taken control of the corporation.

14. On July 10, 2020, the D&O Defendants filed a motion to dismiss Monroe’s

complaint. On October 19, 2020, the court granted that motion in part and denied it in part, dismissing Counts III and IV of Monroe's complaint and all claims against Reed without prejudice. Stein and Boehm subsequently filed their answer and affirmative defenses to Counts I and II of Monroe's complaint on November 16, 2020.

15. Since November 2020, Stein and Boehm have participated in numerous status hearings and discovery conferences before the court presiding over the Monroe Action and engaged in extensive discovery, including collecting, reviewing, and producing tens of thousands of documents, engaging in written discovery, and preparing, serving, and reviewing the documents produced in response to subpoenas served on third-parties.

16. The parties have also engaged in extensive discovery correspondence and negotiations. Among other things, the D&O Defendants have been forced to address Monroe's production of tens of thousands of non-responsive and irrelevant documents in response to Stein and Boehm's targeted document requests, Monroe's repeated failure to meet discovery deadlines, and Monroe's late and deficient privilege log.

17. On August 25, 2021, Monroe filed an unsuccessful motion to compel the production of documents revealing communications between ECA's counsel and Stein and/or Boehm. On August 27, 2021, Stein and Boehm filed a motion to compel to address Monroe's grossly deficient document production and interrogatory responses, and sought a protective order based on Monroe's continued attempts to obtain discovery regarding dismissed claims. The parties fully briefed those motions.

18. On November 29, 2021, the court granted in part and denied in part Stein and Boehm's motion to compel and for a protective order, ordering Monroe to serve supplementary interrogatory responses that complied with Illinois's rules governing discovery by December 17,

2021. In the same order, the court denied Monroe's motion to compel in its entirety.

19. Monroe served its supplementary interrogatory responses on March 20, 2022, after seeking numerous extensions as well as allowing several deadlines to pass without seeking an extension.

20. On March 15, 2022, Monroe filed its Motion For Leave to File Plaintiffs' First Amended Complaint, which seeks to replead Counts III and IV against Stein, Boehm, and Reed and names an additional Willis Stein entity as a defendant. The D&O Defendants filed their opposition to that motion on April 4, 2022, arguing that Monroe's proposed amendment was futile, untimely, and prejudicial.

21. Willis Stein & Partners Management III, LLC and Willis Stein & Partners III, LP, which are not covered entities under the Side A & B Policies and which have separate defense counsel from the D&O Defendants, filed an opposition to Monroe's motion on April 4, 2022. Monroe filed a consolidated reply to both opposition briefs on April 11, 2022.

22. On April 26, 2022, the court granted Monroe's motion for leave to file an amended complaint, ordering Monroe to file the amended complaint by April 27, 2022, and set a deadline of May 25, 2022 for the D&O Defendants to answer or otherwise plead in response to the amended complaint. Should Monroe's re-pled claims in Counts III and IV survive the D&O Defendants' anticipated motion to dismiss, they will expand the scope of the case and discovery by extending the time period relevant to Monroe's claims from six months to nearly four years.

The Receiver Action

23. On January 6, 2021, the Receiver, his litigation counsel at Robins Kaplan LLP, and counsel for the D&O Defendants engaged in a pre-litigation mediation session. Receiver's Twenty-Sixth Report at 2, Dkt. 454. The D&O Defendants prepared and submitted a mediation

brief in connection with that mediation.

24. The Receiver filed the Receiver Action on March 31, 2021. In his complaint, the Receiver alleges three claims against the D&O Defendants for alleged breaches of fiduciary duties to ECA, and seeks unspecified damages of at least \$50 million and potentially “over half a billion” dollars. Complaint, Receiver Action, Dkt. 1 (Mar. 31, 2021); *see also* Order Denying Defendants’ Motion to Dismiss, Receiver Action, Dkt. 42 (Oct. 1, 2021).

25. The D&O Defendants filed their motion to dismiss the Receiver’s complaint on June 1, 2021, and filed their reply in support of their motion to dismiss on July 20, 2021. Defendants’ Rule 12(b)(6) Motion to Dismiss Complaint, Receiver Action, Dkt. 19 (Jun. 1, 2021); Defendants’ Reply in Support of Their Rule 12(B)(6) Motion to Dismiss Complaint, Receiver Action, Dkt. 34 (Jul. 20, 2021).

26. Despite this Court’s stated preference that motions to stay discovery “be jointly filed and that the parties consent to the stay whenever possible,” Rules 16 and 26 Order, Receiver Action, Dkt. 25 (Jun. 4, 2021), the Receiver refused to agree to a stay of discovery pending the outcome of the motion to dismiss, without explanation. The parties thus fully briefed a contested motion to stay between June 18, 2021 and July 13, 2021 as well. Defendants’ Motion to Stay Discovery Pending Outcome of Motion to Dismiss, Receiver Action, Dkt. 27 (Jun. 18, 2021); Defendants’ Reply to Plaintiffs’ Response to Motion to Stay Discovery Pending Outcome of Motion to Dismiss, Receiver Action, Dkt. 31 (Jul. 13, 2021).

27. In the course of negotiating the proposed Scheduling and Discovery Order approved by this Court on July 7, 2021, the Receiver insisted on an expedited discovery schedule that set the close of fact discovery at January 3, 2022—less than six months after entry of the Scheduling and Discovery Order by the Court. *See* Scheduling and Discovery Order, Receiver

Action, Dkt. 29 (Jul. 7, 2021).

28. In light of the expedited schedule, the D&O Defendants served their first set of interrogatories and document requests on the Receiver on July 19, 2021. The Receiver served three sets of document requests on August 6, 2021, November 29, 2021, and December 14, 2021, respectively. The D&O Defendants timely responded to each set of requests and reviewed over 35,000 documents in order to do so. Declaration of Brienne M. Letourneau in Support of Defendants' Opposition to the Receiver's Motion to Compel, Receiver Action, Dkt. 59 (Jan. 24, 2022) ("January 24 Letourneau Declaration").

29. The Receiver did not serve his first set of proposed search terms to apply to the D&O Defendants' electronically stored information until September 17, 2021. The Receiver purported to serve his first set of interrogatories on the D&O Defendants on February 15, 2022—well after the January 3, 2022 close of fact discovery he had previously insisted upon. On March 1, 2022, the parties jointly filed a motion to extend the fact discovery deadline to September 30, 2022, which this Court granted the same day. Joint Motion to Extend Fact Discovery, Receiver Action, Receiver Action, Dkt. 67 (Mar. 1, 2022).

30. The Receiver re-served his first set of interrogatories on March 2, 2022. The breadth and scope of the Receiver's interrogatories required significant legal research and extensive review and analysis of documents produced by the Receiver and third parties to appropriately respond. The D&O Defendants timely served their responses and objections to the Receiver's interrogatories on April 1, 2022.

31. The Receiver produced approximately 1.7 million documents in response to the D&O Defendants' document requests without conducting a review for responsiveness. Based on counsel's review thus far, many (and perhaps most) of the 1.7 million documents are non-

responsive to the D&O Defendants' requests and are irrelevant to any of the claims or defenses in that litigation. That review is ongoing.

32. In addition, and as detailed more fully in the January 24 Letourneau Declaration, the parties have engaged in extensive correspondence concerning their respective discovery obligations, have participated in several discovery conferences, and have negotiated at length regarding the application of search terms to electronically stored information, which required the D&O Defendants to engage in numerous sampling exercises to determine their burden based on the Receiver's overly broad search terms. At each turn, the Receiver refused to compromise on a streamlined and reasonable approach to the application of search terms to the D&O Defendants' electronically stored information.

33. On December 8, 2021, the parties appeared before the Court to discuss the appropriate parameters for search terms. On January 4, 2022, the Court entered an order setting a briefing schedule with respect to that issue. Notice of Cancellation of Hearing, Receiver Action (Jan. 4, 2022).

34. On January 14, 2022, the Receiver filed a motion to compel the D&O Defendants to search for responsive documents applying the Receiver's proposed search terms, which would require the review of over 200,000 additional documents. The Receiver's Motion to Compel Defendants to Search for Discoverable Documents Using The Receiver's Proposed Search Terms, Receiver Action, Dkt. 52 (Jan. 14, 2022); January 24 Letourneau Declaration. The D&O Defendants filed their brief in opposition on January 24, 2022, in which they explained the substantial burdens that the Receiver's proposed discovery protocol would impose on them, including the significant costs associated with the Receiver's proposal. Defendants' Memorandum in Opposition to the Receiver's Motion to Compel, Receiver Action, Dkt. 58 (Jan. 24, 2022).

35. In connection with his reply, the Receiver filed the Declaration of Linda J. Banks, which set forth new factual information purportedly supporting the Receiver's motion. Dkt. 63, Receiver Action (Jan 31, 2022). This required the D&O Defendants to prepare and seek leave to file a sur-reply to address the new factual material that the Receiver improperly introduced with his reply brief, which this Court allowed. Defendants' Motion for Leave to File a Sur-Reply in Opposition to the Receiver's Reply in Support of His Motion to Compel, Receiver Action, Dkt. 64 (Feb. 7, 2022); Order Granting Defendants' Motion for Leave to File Sur-Reply Brief, Receiver Action, Dkt. 65 (Jan. 8, 2022); Defendants' Sur-Reply in Opposition to the Receiver's Reply in Support of His Motion to Compel, Receiver Action, Dkt. 66 (Feb. 15, 2022).

36. The D&O Defendants have served five subpoenas to non-parties in the Receiver Action, requiring negotiation with those non-parties regarding the scope and timing of their responses to the subpoenas, and review of the documents that have thus far been produced.

37. On November 30, 2021, counsel for the D&O Defendants participated in another full-day mediation session with the Receiver and his counsel. In addition, on July 22 and 23, 2021, I participated in two full-day mediation sessions in connection with the student and employee arbitrations.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.



Brienne M. Letourneau

Dated: April 28, 2022

EXHIBIT 1

**This contract is registered and delivered as a surplus line
coverage under Alabama Surplus Lines Insurance Law**

Kenneth Hicks

200 Liberty Street New York, NY 10281

License #295080

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aig.com/producer-compensation or by calling 1-800-706-3102.



AIG Specialty Insurance Company

A capital stock company

POLICY NUMBER: 01-825-10-59

REPLACEMENT OF POLICY NUMBER: 01-826-00-17

THIS INSURER IS NOT LICENSED IN THE STATE OF NEW YORK AND IS NOT SUBJECT TO ITS SUPERVISION.

**Directors & Officers Liability Insurance, Employment Practices Liability Insurance, Fiduciary Liability Insurance
DECLARATIONS**

NOTICES

“THESE NOTICES ARE APPLICABLE TO ALL COVERAGE SECTIONS OTHER THAN THE CRIME COVERAGE SECTION AND KIDNAP AND RANSOM/EXTORTION COVERAGE SECTION”

COVERAGE WITHIN THIS POLICY IS GENERALLY LIMITED TO LOSS FROM CLAIMS FIRST MADE AGAINST INSURED DURING THE POLICY PERIOD. DEFENSE COSTS REDUCE THE LIMITS OF LIABILITY (AND, THEREFORE, AMOUNTS AVAILABLE TO RESPOND TO SETTLEMENTS AND JUDGMENTS) AND ARE APPLIED AGAINST APPLICABLE RETENTIONS.

THE INSURER DOES NOT ASSUME ANY DUTY TO DEFEND UNLESS SUCH COVERAGE IS EXPRESSLY PROVIDED WITHIN A COVERAGE SECTION. WHERE THE INSURER HAS NO DUTY TO DEFEND, IT WILL ADVANCE DEFENSE COSTS, EXCESS OF THE APPLICABLE RETENTION, PURSUANT TO THE TERMS OF THIS POLICY NO LATER THAN SIXTY (60) DAYS AFTER RECEIPT OF INVOICES OF SUCH DEFENSE COSTS. PLEASE REFER TO THE COVERAGE SECTIONS PURCHASED FOR DEFENSE RELATED DETAILS.

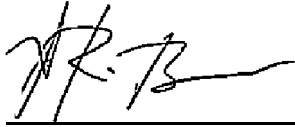
PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE HEREUNDER WITH YOUR INSURANCE AGENT OR BROKER TO DETERMINE WHAT IS AND WHAT IS NOT COVERED.

ITEMS					
1	NAMED ENTITY:	(the "Named Entity")	See Program Participants Endorsement		
2	POLICY PERIOD:	Inception Date:	September 3, 2018	Expiration Date:	September 3, 2019
12:01 A.M. at the address stated in Item 1					

ITEMS (continued)			
3	COVERAGE SUMMARY		
	Liability, Retention, Continuity Date, and Premium Coverage Section		
	D&O	D&O Coverage Section	See Program Participants Endorsement
	EPL	Employment Practices Coverage Section	See Program Participants Endorsement
	FLI	Fiduciary Liability Coverage Section	See Program Participants Endorsement
	<p>*With respect to the D&O, EPL, and FLI Coverage Sections only, no Retention amount is applicable to Non-Indemnifiable Loss.</p> <p>*No Retention amount is applicable to Costs of Investigation for Company Shareholder Derivative Investigations, Crisis Management Events, Voluntary Compliance Loss and HIPAA Penalties.</p>		
4	TOTAL PROGRAM PREMIUM		§ See Program Participants Endorsement
	<p>Premium for Certified Acts of Terrorism Coverage under Terrorism Risk Insurance Act, as amended (TRIA): \$3,085 included in policy premium. Any coverage provided for losses caused by an act of terrorism as defined by TRIA (TRIA Losses) may be partially reimbursed by the United States under a formula established by TRIA as follows: 82% of TRIA Losses in excess of the insurer deductible mandated by TRIA, the deductible to be based on a percentage of the insurer's direct earned premiums for the year preceding the act of terrorism.</p> <p>A copy of the TRIA disclosure sent with the original quote is attached hereto.</p>		
5	OTHER LIMITS OF LIABILITY	See Program Participants Endorsement	
6	DISCOVERY PROVISIONS	(a) Percentage of Full Annual Premium for; 1 YEAR:	100%
	(Inapplicable to Crime and KRE Coverage Sections)	(b) 2 YEARS:	110%
		(c) 3 YEARS:	120%
		(d) 4 YEARS:	130%
		(e) 5 YEARS:	140%
		(f) 6 YEARS:	150%
		(g) Percentage of Full Annual Premium for unlimited duration:	TBD

7	<p>NAME AND ADDRESS OF INSUREDS' REPRESENTATIVE</p> <p>EDUCATION CORPORATION OF AMERICA 3660 GRANDVIEW PARKWAY BIRMINGHAM, AL 35243-3330</p>
8(a)	<p>NAME AND ADDRESS OF INSURER</p> <p>AIG Specialty Insurance Company 175 Water Street New York, NY 10038</p> <p>This Policy is issued only by the insurance company indicated in this Item 8(a).</p>
8(b)	<p>NOTICE OF CLAIMS AND CIRCUMSTANCES SEND TO:</p> <p>AIG Domestic Claims, Inc. 175 Water Street New York, New York 10038 Attention: "C-Claims, D&O Claims" Reference: 01-825-10-59 Reference: Appropriate Coverage Section</p>

IN WITNESS WHEREOF, the **Insurer** has caused this Policy to be signed by its President, Secretary and Authorized Representative. This Policy shall not be valid unless signed below at the time of issuance by an authorized representative of the insurer.



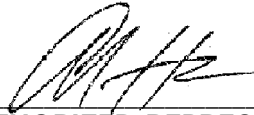
PRESIDENT

AIG Specialty Insurance
Company



SECRETARY

AIG Specialty Insurance
Company



AUTHORIZED REPRESENTATIVE

COUNTERSIGNED AT

DATE

COUNTERSIGNATURE

*WILLIS OF NEW YORK, INC
200 LIBERTY STREET
7TH FL
NEW YORK, NY 10281-1003*

1388253

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
(RIGHT TO PURCHASE COVERAGE)**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury-in consultation with the Secretary of Homeland Security, and the Attorney General of the United States-to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING JANUARY 1, 2018; 81% BEGINNING JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

COPY OF DISCLOSURE SENT WITH ORIGINAL QUOTE

Insured Name: *EDUCATION CORPORATION OF AMERICA*

Policy Number: *01-825-10-59*

Policy Period Effective Date From: *September 3, 2018* To: *September 3, 2019*

General Terms and Conditions

In consideration of the payment of the premium, and in reliance upon the statements made to the **Insurer** by **Application**, which forms a part of this Policy, the **Insurer** agrees as follows:

1. TERMS AND CONDITIONS

These **General Terms and Conditions** shall be applicable to all **Coverage Sections**. Terms appearing in these **General Terms and Conditions** which are defined in a **Coverage Section** shall have the meaning provided for such terms in such **Coverage Section** for purposes of coverage provided under such **Coverage Section**. The terms and conditions set forth in each **Coverage Section** shall only apply to that particular **Coverage Section** and shall in no way be construed to apply to any other **Coverage Section** of this Policy.

2. DEFINITIONS

(a) "**Administrative Claim**" means an administrative or regulatory investigation:

- (i) "by the Equal Employment Opportunity Commission ("**EEOC**") or similar federal, state or local agency; or
- (ii) of a violation of the Uniformed Services Employment and Reemployment Rights Act, when such investigation is conducted by the United States Department of Labor, Veterans Employment and Training Service, Justice Department or Office of Special Counsel;

which, in either case, is commenced by the filing of a notice of charges or similar document of which notice has been given to an **Insured**.

The term "**Administrative Claim**" shall not mean or include any **Litigated Matter**.

(b) "**Affiliated Entities**" means:

- (i) a pooled investment vehicle formed and controlled by the **Insureds' Representative** for purposes of making a direct or indirect investment in the **Named Entity**;
- (ii) an entity which is a general partner, managing general partner, managing member, administrative member, sole member, manager, managing shareholder or other sponsor of a pooled investment vehicle described in paragraph (i) above;
- (iii) an entity (including, but not limited to, any holding company, special purpose vehicle or other acquisition vehicle) formed for the sole purpose of holding a direct or indirect interest in the **Named Entity**, but only if such entity is under **Management Control** directly or indirectly by the **Insureds' Representative**.

(c) "**Application**" means:

- (i) the application attached to and forming part of this Policy, any attachments to such applications; and
- (ii) any materials submitted therewith, which shall be retained on file by the **Insurer** and shall be deemed to be physically attached to this Policy or incorporated therein.

(d) "**Claim**" means:

- (i) any written demand for monetary or non-monetary or injunctive relief (including, but not limited to, any request to toll or waive any statute of limitations);
- (ii) any civil, criminal, administrative or regulatory proceeding or arbitration, mediation or other dispute resolution proceeding for monetary or non-monetary or injunctive relief which is commenced by:
 - (1) service of a complaint, motion, writ or similar pleading or service of an order;
 - (2) return of an indictment, criminal complaint, information or similar document (in the case of a criminal proceeding);
 - (3) receipt of a notice of deposition;
 - (4) filing or service of a subpoena;
 - (5) receipt or filing of a notice of charges; or
 - (6) receipt of a request or demand to arbitrate or mediate;
- (iii) any civil, criminal, administrative or regulatory investigation or inquiry by a federal, state, local, foreign or offshore government authority or agency (including without limitation an investigation by the Equal Employment Opportunity Commission, the Securities and Exchange Commission, the Department of Labor, the Department of Justice, the Department of Treasury, any state attorney general's office or securities regulator, the Financial Services Authority, the Pension Benefit Guarantee Corporation or a Grand Jury) or any self-regulatory organization (including, but not limited to, the Financial Industry Regulatory Authority) but only after service of a subpoena, receipt of a Wells Notice, receipt of a "target" letter (within the meaning of Title 9, 11.151 of the United States Attorney's Manual) or receipt of a notice of investigation, notice of charges, SEC Form 1662, a civil investigative demand, a search warrant, service of a complaint or other similar document of which notice has been given to an **Insured** (herein, "**Investigation Claim**");

It is understood and agreed that, notwithstanding anything to the contrary in any Insuring Agreement under this policy, the requirement under any Insuring Agreement that a **Claim** must allege a **Wrongful Act** shall not apply to any **Investigation Claim** as defined in this subparagraph (iii); provided, however, "**Investigation Claim**" shall not mean any routine regulatory supervision, examination, inspection or compliance review.

- (iv) any official written request for **Extradition** of any **Individual Insured** or the execution of a warrant for the arrest of an **Individual Insured** where such execution is an element of **Extradition**;
- (v) the equivalent document in a **Foreign Jurisdiction** for (i)-(iv) above.

The term "**Claim**" shall also include any **Securities Claim**, **Contract Claim** or any **Derivative Demand**, and any equivalent thereof in any **Foreign Jurisdiction**.

The term "**Claim**" shall also include any appeal(s) of any of the foregoing.

Solely with respect to coverage provided under D&O COVERAGE SECTION F: PRE-CLAIM INQUIRY COSTS FOR PRE-CLAIM INQUIRY, "**Claim**" also means a **Pre-Claim Inquiry**; provided, however, that a **Pre-Claim Inquiry** only shall constitute a **Claim** under this Policy only if the **Individual Insured** or **Company** elects to give to the **Insurer** written notice thereof pursuant to Clause 6. "NOTICE/CLAIM REPORTING PROVISIONS" of the policy, at which point such **Pre-Claim Inquiry** shall be deemed first made.

However, in no event shall the term "**Claim**" include any labor or grievance proceeding which is subject to a collective bargaining agreement.

- (e) "**Cleanup Costs**" means expenses, including, but not limited to, legal and professional fees incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying or assessing the effects of **Pollutants**.
- (f) "**Company**" means the **Named Entity** and any **Subsidiary** thereof.

In the event a bankruptcy proceeding shall be instituted by or against a **Company**, the term "**Company**" shall also mean the resulting debtor-in-possession (or equivalent status outside the United States of America), if any.

- (g) "**Continuity Date**" means the date set forth in Item 4 of each **Program Participants Endorsement** with respect to the corresponding **Named Entity** thereon and the **Insureds** thereof with respect to each **Coverage Section**.
- (h) "**Coverage Section**" means each **Coverage Section** that is purchased by the **Insured** as indicated in each **Program Participants Endorsement** with respect to the corresponding **Named Entity** thereon and the **Insureds** thereof.
- (i) "**Defense Costs**" means any:
 - (i) legal fees and expenses including, without limitation, all reasonable out of pocket charges and expenses;
 - (ii) expert, forensic auditor, consultant or witness fees and expenses;
 - (iii) mediator or arbitrator fees and expenses;
 - (iv) cost of attachment or similar bonds incurred by the **Insureds**, in the investigation of or defense of or appeal of any **Claim** or in connection with any written request or other written statement seeking extradition or rendition of an **Insured**;
 - (v) costs of **E-Discovery Consultant Services**;
 - (vi) fees and expenses of vendor or service provider retained by an **Insured** or by the **Insured's** defense counsel, including, without limitation, any document vendor, electronic discovery vendor, database vendor, document review vendor, data recovery vendor, court reporter or investigative service; or
 - (vii) other reasonable costs, charges, fees and expenses incurred in the investigation, defense, settlement or appeal of any **Claim**;

in each case, incurred by the **Insureds** in the investigation of, adjustment of, defense of and/or appeal of any **Claim** against an **Insured**, but excluding compensation of any **Individual Insured**. **Defense Costs** shall also include **Extradition Costs**.

Defense Costs shall also include all reasonable fees and expenses incurred by defense counsel selected by the **Insured(s)** in providing reports, updates or other information to the Insurer.

Solely with regard to any **Pre-Claim Inquiry**, "**Defense Costs**" means only **Pre-Claim Inquiry Costs**.

It is understood and agreed that **Individual Insureds** shall be entitled to separate counsel in the event of any potential conflict of interest among the **Insureds** (including, without limitation, any defenses being available to one **Insured** that are not available to other **Insureds**) with the consent of the Insurer (such consent shall not be unreasonably withheld or denied).

- (j) "**Designated Policy Aggregate Limit of Liability**" means the **Designated Policy Aggregate Limit of Liability** stated in Item 2 of each **Program Participants Endorsement** with respect to the corresponding **Named Entity** thereon and the **Insureds** thereof.
- (k) "**Designated Separate Limit of Liability**" means the applicable **Separate Limit of Liability**, if any, stated in Item 2 of each **Program Participants Endorsement** with respect to the corresponding **Named Entity** thereon and the **Insureds** thereof.
- (l) "**Designated Shared Limit of Liability**" means the applicable **Shared Limit of Liability**, if any, stated in Item 2 of each **Program Participants Endorsement** with respect to the corresponding **Named Entity** thereon and the **Insureds** thereof, which limit of liability shall be shared between all of the **Coverage Sections** which are listed below such **Designated Shared Limit of Liability** in each **Program Participants Endorsement** with respect to the corresponding **Named Entity** thereon.
- (m) "**Discovery Period**" means **Discovery Period**, as that term is defined in Clause 8 of these **General Terms and Conditions**.
- (n) "**Domestic Partner**" means any natural person legally recognized as a domestic or civil union partner under the provisions of any:
 - (i) applicable federal, state or local law; or
 - (ii) program established by the **Company**.
- (o) "**E-Discovery**" means the development, collection, storage, organization, cataloging, preservation and/or production of electronically stored information.
- (p) "**E-Discovery Consultant Services**" means solely the following services performed by an E-Consultant Firm:
 - (i) assisting the **Insured** with managing and minimizing the internal and external costs associated with E-Discovery;
 - (ii) assisting the **Insured** in developing or formulating an E-Discovery strategy which shall include interviewing qualified and cost effective E-Discovery vendors;
 - (iii) serving as project manager, advisor and/or consultant to the **Insured**, defense counsel and the Insurer in executing and monitoring the E-Discovery strategy; and
 - (iv) such other services provided by the E-Consultant Firm that the **Insured**, Insurer and E-Consultant Firm agree are reasonable and necessary given the circumstances of the Claim.

- (q) **"Employee"** means any past, present or future:
- (i) employee, other than an **Executive** of a **Company**, whether such employee is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, volunteer, seasonal and temporary employee. An individual who is leased to the **Company**, contracted to perform work for the **Company**, or who is an independent contractor for the **Company**, shall also be an **Employee**, but only to the extent the **Company** provides indemnification to such leased or contracted individual;
 - (ii) **Employed Lawyer**.
- (r) **"Executive"** means:
- (i) any past, present or future duly elected or appointed director, officer, board observer, trustee or governor, management committee member, member of the management board, supervisory board, advisory board or any other executive committee of a corporation, limited liability company, or joint venture, natural person general partner of a partnership, natural person limited partner, or equivalent position or any person found to have acted in such position under applicable law; or
 - (ii) any past, present or future person in a duly elected or appointed position in an entity which is organized and operated in a **Foreign Jurisdiction** that is equivalent to an executive position listed in Definition (r)(i);
- (s) **"Financial Insolvency"** means:
- (i) the appointment by any government official, agency, commission, court or other governmental authority of a receiver, conservator, liquidator, trustee, rehabilitator, administrator or similar official to take control of, supervise, manage or liquidate an insolvent **Company**;
 - (ii) a **Company** becoming a debtor-in-possession pursuant to the United States bankruptcy law;
 - (iii) the filing by or against a **Company** of a petition under the bankruptcy laws of the United States of America; or
 - (iv) as to (i), (ii) (iii) in this Definition (s), any equivalent status in a **Foreign Jurisdiction**.
- (t) **"Foreign Jurisdiction"** means any jurisdiction, other than the United States or any of its territories or possessions.
- (u) **"Foreign Policy"** means the **Insurer's** or any other company of American International Group, Inc.'s ("AIG") standard executive managerial liability policy (including any directors and officers, partnership, managerial, employment practices liability fiduciary or pension trust liability policy and all mandatory endorsements to such policies, if any) approved by AIG to be sold within a **Foreign Jurisdiction** that provides coverage substantially similar to the coverage afforded under this Policy. If more than one such policy exists, then **"Foreign Policy"** means the standard basic policy form typically offered for sale in that **Foreign Jurisdiction** for comparable risks by the Insurer or any other company of AIG. The term **"Foreign Policy"** shall not include any professional liability coverage, also known as errors and omissions coverage.

- (v) **"Indemnifiable Loss"** means **Loss** for which a **Company** has indemnified or is permitted or required to indemnify an **Individual Insured** pursuant to the fullest extent permitted by the certificate of incorporation, charter, by-laws, articles of association, limited liability company agreement, partnership agreement, operating agreement or other organizational documents of a **Company**.
- (w) **"Insurer"** means the insurance company indicated in the Declarations.
- (x) **"Insureds' Representative"** means the organization stated in Item 7 of the Declarations.
- (y) **"Litigated Matter"** means any civil, criminal, administrative, regulatory or arbitration proceeding for monetary, non-monetary or injunctive relief which is commenced by:
 - (i) service of a complaint or similar pleading; or
 - (ii) return of an indictment, information or similar document (in the case of a criminal proceeding).
- (z) **"Management Control"** means:
 - (i) owning interests representing more than fifty percent (50%) of the voting, appointment or designation power for the selection of a majority of: the board of directors of a corporation, the management committee members of a joint venture or partnership, or the manager or members of the management board of a limited liability company;
 - (ii) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of a company, to elect, appoint or designate a majority of: the board of directors of a corporation, the management committee of a joint venture or partnership, or the manager(s) or the management board of a limited liability company;
 - (iii) possessing greater than 50% ownership interest in a corporation, joint venture or limited liability company;
 - (iv) possessing greater than 50% of the voting power of a partnership;
 - (v) having management and/or operational control of a company; or
 - (vi) being the sole general partner of a limited partnership or the sole manager of a limited liability company.
- (aa) **"Named Entity"** means each **Named Entity** set forth in Item 1 of any **Program Participants Endorsement**, whether a corporation, association, limited liability company or any other type of business organization.
- (bb) **"Non-Indemnifiable Loss"** means **Loss** that is not **Indemnifiable Loss**.
- (cc) **"Outside Entity"** means:
 - (i) any not-for-profit organization; or
 - (ii) any for-profit organization, other than the **Company**.
- (dd) **"Outside Entity Executive"** means any:
 - (i) **Individual Insured** serving in the capacity as director, officer, board observer, trustee, advisor or governor of an **Outside Entity**, but only if such service is at the specific request, direction or consent of the **Company**; or

- (ii) any other person listed as an **Outside Entity Executive** in an endorsement to this Policy.

It is understood and agreed that, in the event of a disagreement between the **Company** and an individual as to whether such individual was acting "at the specific request, direction, or consent of the **Company**," this Policy shall abide by the determination of the **Company** on this issue and such determination shall be made by written notice to the **Insurer** within ninety (90) days after the **Claim** is first reported to the **Insurer** pursuant to the terms of the Policy. In the event no determination is made within such period, this Policy shall apply as if the **Company** determined that such **Individual Insured** was not acting at the **Company's** specific request, direction, or consent.

- (ee) "**Policy Period**" means the period of time from the inception date stated in Item 2 of the Declarations to the earlier of the expiration date stated in Item 2 of the Declarations or the effective date of cancellation of this Policy with respect to any particular **Named Entity** as set forth in Clause 7.
- (ff) "**Pollutants**" means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and **Waste**. "**Waste**" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
- (gg) "**Prior Acts Date**" means the date set forth in Item 5 of each **Program Participants Endorsement** with respect to the corresponding **Named Entity** thereon and the **Insureds** thereof.
- (hh) "**Prior AIG Policy**" means a valid and collectible policy providing substantially the same or similar coverage as is provided by this policy, issued to a particular **Named Entity** by the **Insurer** (or any other insurance company affiliate thereof), of which this policy is a continuous renewal.
- (ii) "**Program Participants Endorsement**" means each endorsement attached to this Policy entitled "**Program Participants Endorsement**" outlining the respective **Named Entity** insured hereunder and certain items and conditions specific to the coverage afforded under this Policy to such **Named Entity** and any **Insured** thereof, including the applicable Limits of Liability, Retention Amounts, **Continuity Dates**, **Prior Acts Date** and Premium Amount.
- (jj) "**Related Claim**" means a **Claim** alleging, arising out of, based upon or attributable to any facts or **Wrongful Acts** that are the same as or related to those that were alleged in another **Claim** made against an **Insured**.
- (kk) "**Related Pre-Claim Inquiry**" means **Pre-Claim Inquiry(ies)** which are the same, related or continuous, or **Pre-Claim Inquiry(ies)** which arise from a common nucleus of facts. **Claims** can allege **Related Pre-Claim Inquiry(ies)** regardless of whether such **Claims** involve the same or different claimants, **Insureds** or legal causes of action.
- (ll) "**Related Wrongful Act(s)**" means **Wrongful Act(s)** which are the same, related or continuous, or **Wrongful Act(s)** which arise from a common nucleus of facts.
- (mm) "**Subsidiary**" means:
 - (i) any for-profit entity, whose securities are not publicly traded, of which the particular **Named Entity** has or had **Management Control** ("**Controlled Entity**") on or before the inception date of the **Policy Period**, either directly or indirectly through one or more other **Controlled Entities**;

- (ii) any for-profit entity, whose securities are not publicly traded, of which the particular **Named Entity** acquires **Management Control** during the **Policy Period**, either directly or indirectly through one or more other **Controlled Entities**; or
- (iii) any not-for-profit entity sponsored exclusively by a **Company**.

Notwithstanding the foregoing, coverage as is afforded under this Policy with respect to a **Claim** made against any **Subsidiary** or any **Individual Insureds** thereof (in their capacity as such) shall only apply for **Wrongful Acts** committed or allegedly committed after the effective time (the "**Acquisition Date**") that the particular **Named Entity** obtained **Management Control** of such **Subsidiary**. Upon the **Acquisition Date**, the **Insurer** agrees to provide coverage for **Wrongful Acts** taking place prior to the **Acquisition Date** at no additional premium, but solely as respects to coverage provided under the **EPL Coverage Section** and the **FLI Coverage Section**, if applicable. However, in no event shall this Policy provide coverage for any **Claim** arising from a **Wrongful Act** that occurred prior to the **Acquisition Date** if any **Individual Insured** of the particular **Named Entity** could reasonably expect that such **Wrongful Act** could give rise to a **Claim** against an **Insured** under the Policy. Furthermore, to the extent any such **Subsidiary** has any valid and collectible Employment Practices or Fiduciary Liability insurance ("**Other Insurance Policy(cies)**") covering any overlapping time period as the prior acts afforded by this paragraph, such other insurance shall be primary and this policy shall remain excess any coverage provided under such **Other Insurance Policy(cies)**.

There shall be no coverage afforded under this Policy with respect to a **Claim** made against any **Subsidiary** or any **Individual Insureds** thereof (in their capacity as such) for **Wrongful Acts** committed or allegedly committed after the time that such respective **Named Entity** ceased to have **Management Control** of such **Subsidiary**.

3. EXTENSIONS

Subject otherwise to the terms hereof, this Policy shall cover **Loss** arising from any **Claim** made against:

- (a) the estates, heirs, or legal representatives of deceased **Individual Insureds**, and the legal representatives of **Individual Insureds** in the event of incompetency, insolvency or bankruptcy, who were **Individual Insureds** at the time the **Wrongful Acts** upon which such **Claims** are based were committed;
- (b) the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) or **Domestic Partner** of an **Individual Insured** for all **Claims** arising solely out of his or her status as the spouse or **Domestic Partner** of an **Individual Insured**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by the **Individual Insured** and the spouse or **Domestic Partner**, or property transferred from the **Individual Insured** to the spouse or **Domestic Partner**; *provided, however*, this extension shall not afford coverage for any **Claim** for any actual or alleged **Wrongful Act** of the spouse or **Domestic Partner**, but shall apply only to **Claims** arising out of any actual or alleged **Wrongful Acts** of an **Individual Insured**, subject to the Policy's terms, conditions and exclusions

4. **LIMITS OF LIABILITY (FOR ALL LOSS IN THE AGGREGATE UNDER THIS POLICY AND UNDER EACH INDIVIDUAL COVERAGE SECTION - INCLUDING DEFENSE COSTS)**

The **Designated Policy Aggregate Limit of Liability** stated in Item 2 of each **Program Participants Endorsement** is the maximum limit of the **Insurer's** liability for all **Loss** (other than **Non-Indemnifiable Loss** covered under the **Side A Excess Limit of Liability**), including **Defense Costs**, under all **Coverage Sections** combined arising out of all **Claims** first made against the **Insureds** afforded coverage under such **Program Participant Endorsement** (in their capacity as such) during the **Policy Period** or the **Discovery Period** (if applicable); *provided, however,* the **Designated Policy Aggregate Limit of Liability** for the **Discovery Period** shall be part of, and not in addition to, the **Designated Policy Aggregate Limit of Liability** for the **Policy Period**.

If the **Designated Separate Limits of Liability** are stated in Item 2 of each **Program Participants Endorsement**, then each such **Designated Separate Limit of Liability** shall be the maximum limit of the **Insurer's** liability for all **Loss** (other than **Non-Indemnifiable Loss** covered under the **Side A Excess Limit of Liability**), including **Defense Costs**, arising out of all **Claims** first made against the **Insureds** afforded coverage under such **Program Participant Endorsement** (in their capacity as such) during the **Policy Period** or the **Discovery Period** (if applicable) with respect to the applicable **Coverage Section** as stated on each **Program Participants Endorsement**; *provided, however,* the **Designated Separate Limit of Liability** for the **Discovery Period** shall be part of, and not in addition to, the **Designated Separate Limit of Liability** for the **Policy Period**. Each **Designated Separate Limit of Liability** shall be part of and not in addition to the **Designated Policy Aggregate Limit of Liability** for all **Loss** under this Policy and shall in no way serve to increase the **Insurer's Designated Policy Aggregate Limit of Liability** as therein stated.

If the **Designated Shared Limits of Liability** are stated in Item 2 of each **Program Participants Endorsement**, then each such **Designated Shared Limit of Liability** shall be the maximum limit of the **Insurer's** liability for all **Loss** (other than **Non-Indemnifiable Loss** covered under the **Side A Excess Limit of Liability**) arising out of all **Claims** first made against the **Insureds** afforded coverage under such **Program Participant Endorsement** during the **Policy Period** or the **Discovery Period** (if applicable) with respect to all **Coverage Sections** for which such **Designated Shared Limit of Liability** is applicable, as indicated on each **Program Participants Endorsement**; *provided, however,* with respect to all **Coverage Sections** that have a **Designated Shared Limit of Liability**, the **Designated Shared Limit of Liability** for the **Discovery Period** shall be part of, and not in addition to, the **Designated Shared Limit of Liability** for the **Policy Period**. Each **Designated Shared Limit of Liability** shall be part of, and not in addition to, the **Designated Policy Aggregate Limit of Liability** for all **Loss** under this Policy and shall in no way serve to increase the **Designated Policy Aggregate Limit of Liability** as therein stated.

Notwithstanding the above, it is expressly understood and agreed that each **Named Entity** shall have its own **Designated Policy Aggregate Limit of Liability** which shall be in addition to, and not part of the **Designated Policy Aggregate Limit of Liability** for any of the other **Named Entity(ies)**.

Further, a **Claim** which is made subsequent to the **Policy Period** or **Discovery Period** (if applicable) which pursuant to Clause 6(b) or 6(c) of these **General Terms and Conditions** is considered made during the **Policy Period** or **Discovery Period**, shall also be subject to the **Designated Policy Aggregate Limit of Liability** and subject to any applicable **Designated Separate Limit of Liability**, **Designated Shared Limit of Liability** or **Side A Excess Limit of Liability**.

Defense Costs are not payable by the **Insurer** in addition to the **Designated Policy Aggregate Limit of Liability** or any applicable **Designated Separate Limit of Liability**, **Designated Shared Limit of Liability** or **Side A Excess Limit of Liability**. **Defense Costs** are part of **Loss** and as such are subject to the **Designated Policy Aggregate Limit of Liability** for **Loss** and any applicable **Designated Separate Limit of Liability**, **Designated Shared Limit of Liability** or **Side A Excess Limit of Liability**. Amounts incurred for **Defense Costs** shall be applied against the Retention and will reduce and may exhaust the **Designated Separate Limit of Liability**, **Designated Shared Limit of Liability** or **Side A Excess Limit of Liability**.

5. RETENTION CLAUSE

The Retentions stated in Item 6 of the respective **Program Participants Endorsement** are separate Retentions pertaining only to the **Coverage Section** for which they are stated in the respective **Program Participants Endorsement**. The application of a Retention to **Loss** under one **Coverage Section** shall not reduce the Retention applicable under any other **Coverage Section**.

In the event a **Claim** triggers a Retention in multiple **Coverage Sections**, then the following shall apply:

- (a) with regard to **Loss** which is payable under any **Coverage Section** which is subject to a **Designated Separate Limit of Liability**, the Retention applicable to such **Loss** pursuant to the Retention Clause of such **Coverage Section** (or pursuant to any applicable endorsement) shall apply separately to such **Loss**, and the applicable Retention for such **Coverage Section** shall not be reduced by payments of **Loss** made towards the Retention required under any other **Coverage Section**; and
- (b) with regard to **Loss** which is payable under any **Coverage Sections** which are subject to a **Designated Shared Limit of Liability**, the highest applicable Retention shall be deemed the Retention applicable to **Loss** arising from such **Claim**.

Notwithstanding the foregoing, no Retention is applicable to the first \$25,000 in **Defense Costs** incurred for **E-Discovery Consultant Services**.

6. NOTICE/CLAIM REPORTING PROVISIONS

Notice hereunder shall be given by electronic mail, facsimile transmission or certified mail to the addressee and at the address identified in Item 8(b) of the Declarations; Attention: Claim Department. Notice shall include and reference this policy number as indicated in the Declarations, as well as the **Coverage Section** under which the **Claim** is being noticed. If sent certified mailed or by electronic mail, the date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

The following shall apply:

- (a) The **Insureds** shall give written notice to the **Insurer** of any **Claim** made against an **Insured** or a **Crisis Management Event** as soon as practicable after: (i) the **Company's** General Counsel (or equivalent position) first becomes aware in writing that total **Loss** (including **Defense Costs**) of a **Claim** is reasonably estimated to exceed FIFTY PERCENT (50%) of the applicable Retention (unless he or she is prohibited by court order to disclose the details or existence of such **Claim**); or (ii) the **Crisis Management Event** commences.

Failure to give notice of any **Claim** within the time prescribed herein shall not invalidate such **Claim** if it is demonstrated that it was not reasonably possible to give such notice within the prescribed time and that notice was given as soon as was reasonably possible thereafter. Further, if the **Insured** fails to provide notice of a **Claim** to the **Insurer** as specified above, the **Insurer** shall not be entitled to deny coverage for such **Claim** based solely upon late notice unless the **Insurer** can demonstrate that its interests were materially prejudiced by reason of such late notice.

In all events a **Claim** must be reported no later than either:

- (i) anytime during the **Policy Period** or during the **Discovery Period** (if applicable); or
- (ii) within ninety (90) days after the end of the **Policy Period** or the **Discovery Period** (if applicable).
- (b) If written notice of a **Claim** has been given to the **Insurer** pursuant to Clause 6(a) above, then any **Claim** which is subsequently made against the **Insureds** and reported to the **Insurer** alleging, arising out of, based upon or attributable to the facts alleged in the **Claim** for which such notice has been given, or alleging any **Wrongful Act** which is the same as or is a **Related Wrongful Act** to that alleged in the **Claim** of which such notice has been given, shall be considered made at the time such notice was given.
- (c) If during the **Policy Period** or during the **Discovery Period** (if applicable) the **Insureds** shall become aware of any circumstances which may reasonably be expected to give rise to a **Claim** being made against the **Insureds** and shall give written notice to the **Insurer** of the circumstances, the **Wrongful Act** allegations anticipated and the reasons for anticipating such a **Claim**, then any **Claim** which is subsequently made against the **Insureds** and reported to the **Insurer** alleging, arising out of, based upon or attributable to such circumstances or alleging any **Wrongful Act** which is the same as or is a **Related Wrongful Act** to that alleged or contained in such circumstances, shall be considered made at the time such notice of such circumstances was given.

Notwithstanding the foregoing, the provisions of this Clause 6. shall not apply to any **Pre-Claim Inquiry** that the **Insured** elects not to treat as a **Claim** as provided in the definition of **Claim**.

Additionally, to the extent that an **Insured** gives notice to the **Insurer** in accordance with this CLAUSE 6. NOTICE/CLAIM REPORTING PROVISIONS (c) and a **Claim** subsequently arises from such specific circumstances, **Defense Costs** shall also mean all legal fees incurred in the investigation and/or defense of any such specific circumstances that are incurred:

- (i) on or after the date of such notice is received by the **Insurer**; and

- (ii) prior to the time such specific circumstances rise to the level of a **Claim**.
- (d) Any matter which could involve the payment of **Voluntary Compliance Loss** or of **Covered Penalties** under the **FLI Coverage Section** shall be reported to the **Insurer** in the same manner as a **Claim** under Clause 6(a)(i) and 6(a)(ii) above.

Note: With respect to this CLAUSE 6. NOTICE/CLAIM REPORTING PROVISIONS (a), the coverage provided by this Policy shall apply to the broadest extent permitted by law and the availability of such coverage, and the adequacy and timeliness of notice pursuant to CLAUSE 6. NOTICE/CLAIM REPORTING PROVISIONS (a) shall be determined by the law of the jurisdiction most favorable to such coverage.

The following shall apply solely with respect to the **EPL Coverage Section**:

- (e) **Claims Savings Clause for Employment Practices Claims**
 - (i) Notwithstanding the foregoing, with respect to any **Claim** which (i) first becomes a **Litigated Matter** during the **Policy Period** or **Discovery Period** (if applicable); and (ii) is a **Related Claim** with respect to an **Administrative Claim** which was first made against an **Insured** prior to the **Policy Period**, the **Insurer** shall not deny coverage for such **Claim** based upon late notice of such **Claim** or based upon such **Claim** first being made prior to the **Policy Period**, provided that:
 - (1) the **Claim** was first made against the **Insured** at a time during which the particular **Named Entity** was insured under a **Prior AIG Policy**;
 - (2) upon the **Claim** first becoming a **Litigated Matter**, the **Claim** was reported in accordance with Clause 6(a) above; and
 - (3) no **Insured** has made a monetary settlement offer to a claimant or responded to a monetary demand from or on behalf of a claimant with respect to such **Claim**.
 - (ii) Coverage under this policy for any **Claim** afforded coverage pursuant to this Clause 6(e) shall be the lesser of:
 - (1) the coverage which would have been provided under this policy for such **Claim** had the **Claim** been made during the **Policy Period** and reported to the **Insurer** as required by this policy; or
 - (2) the coverage, if any, which would have been provided under the **Prior AIG Policy** for such **Claim** if the **Insured** had properly provided notice of such **Claim** in accordance with the provisions of the **Prior AIG Policy**, taking into account all provisions of each policy, including, without limitation, applicable limits of liability (as reduced by payments made under such policy), retentions, exclusions and other restrictions contained in each policy;

Notwithstanding the foregoing, nothing in this Clause 6(e) shall be construed to increase the **Limit of Liability** of this policy or to provide coverage under the **Prior AIG Policy**, nor shall this Clause 6(e) ever result in providing coverage under this policy for **Loss** for which coverage is in fact provided (or would be provided but for the exhaustion of the limit of liability) under the **Prior AIG Policy**.

- (iii) This Clause 6(e) shall not apply to any **Claim** which:
 - (1) prior to the **Policy Period** was a **Litigated Matter**; or
 - (2) is a **Related Claim** with respect to a **Claim** which, prior to the **Policy Period** was a **Litigated Matter**.

The following shall apply solely with respect to the **FLI Coverage Section**:

- (f) Reporting a Fiduciary **Claim** or **Pension Crisis**

The **Insured(s)** shall, as a condition precedent to the obligations of the Insurer under this policy, notify the Insurer in writing of a **Claim** made against an **Insured** or of a **Pension Crisis** as soon as practicable after: (1) the **Named Entity's** General Counsel first receives written notice of the **Claim**; or (2) the **Pension Crisis** commences. In all such events, notification must be provided no later than:

- (i) ninety (90) days after the end of the **Policy Period** or **Discovery Period** (if applicable) if this policy is not renewed with the **Insurer**; or
- (ii) two hundred and seventy (270) days after the end of the **Policy Period** or **Discovery Period** (if applicable) if the expiring policy is renewed with the **Insurer**.

As exceptions to the foregoing notice provision the **Insureds** shall have no obligation to give notice of:

- (1) a fact-finding investigation before the earliest of the time that: (i) it becomes a **Litigated Matter**; (ii) a **Wrongful Act** is alleged in writing; or (iii) any **Insured** has incurred defense costs for which coverage is being sought; or
- (2) an **Internal Appeal** before the earliest of the time that: (i) it becomes a **Litigated Matter**; (ii) any investment loss within a **Plan** is alleged; or (iii) any **Insured** has incurred **Defense Costs** for which coverage is being sought.

7. CANCELLATION CLAUSE

This Policy or any individual **Coverage Section** may be canceled by the **Insureds' Representative** at any time by e-mailing or mailing by certified mail prior written notice to the **Insurer** stating which **Coverage Sections** are to be canceled or that the entire Policy is to be canceled and when thereafter such cancellation shall be effective, or by surrender thereof to the **Insurer** or its authorized agent. The e-mailing or mailing of such notice shall be sufficient notice and the effective date of cancellation shall be the date the **Insurer** received such notice or any later date specified in the notice, and such effective date shall become the end of the Policy or applicable **Coverage Sections**.

This Policy may only be canceled by or on the behalf of the **Insurer** with respect to any particular **Named Entity** only in the event of non-payment of premium of the **Named Entity's** respective annual premium amount as set forth in Item 7 of the **Program Participants Endorsement**. In the event of non-payment of premium by any particular **Named Entity**, the **Insurer** may cancel this Policy solely by delivering to such respective **Named Entity** and its authorized agent or by mailing to the particular **Named Entity** and its authorized agent, by registered, certified or other first class mail, at the **Insureds' Representative** address as stated in Item 7 of the Declarations and the agent of record's New York address, Attention: Willis M&A Group, written notice stating when, not less than fifteen (15) days thereafter, the cancellation shall be effective; *provided, however*, that if the unpaid premium is paid in full before 12:01 am on the 16th day following receipt by the particular **Named Entity** and its authorized agent of the notice of cancellation, then, in that event, the **Insurer** may not cancel this Policy. The mailing of such notice as aforesaid shall be sufficient proof of notice. The **Policy Period** for the particular **Named Entity** terminates at the date and hour specified in such notice, or at the date and time of surrender. The **Insurer** shall have the right to the premium amount for the portion of the **Policy Period** during which the Policy was in effect. This Policy shall remain in full force and effect for all remaining **Named Entities**, including **Insureds** thereof that comply with this Clause 7, subject to all other terms, conditions, and exclusions of this Policy.

If the period of limitation relating to the giving of notice as set forth above is also set forth in any applicable law controlling the construction thereof, the period set forth above shall be deemed to be amended so as to be equal to the minimum period of limitation set forth in the controlling law.

It is further understood and agreed that the premium amount set forth in Item 7 of the applicable **Program Participants Endorsement** for the respective **Named Entity** shall be fully earned as of the inception date of this Policy; *provided, however*, should a particular **Named Entity** make a public offering of equity securities and incepts a new management liability policy or policies with similar coverage afforded herein with the **Insurer** or any member company of AIG, Inc. ("AIG"), then the particular **Named Entity** will be entitled to a pro-rata return payment of its unearned premium.

8. DISCOVERY CLAUSE

If the **Insureds' Representative** shall cancel, either in total or on behalf of a particular **Named Entity** or the **Insureds' Representative** or the **Insurer** shall refuse to renew this Policy, either in total or on behalf of a particular **Named Entity**, or the **Insureds' Representative** or the **Insurer** shall refuse to renew any **Coverage Section**, either in total or on behalf of a particular **Named Entity**, then, solely with regard to the Policy or **Coverage Section** which was canceled or non-renewed, the **Insureds' Representative** or the respective **Named Entity** shall have the right, upon payment of the applicable "**Additional Premium Amount**" described below, to a period of up to six (6) years or of unlimited duration following the effective date of such cancellation or nonrenewal (herein referred to as the "**Discovery Period**"), in which to give the **Insurer** written notice of **Claims** first made against any **Insured** during said **Discovery Period** for any **Wrongful Act** occurring prior to the end of the **Policy Period** and otherwise covered by the canceled or non-renewed Policy or **Coverage Section**, as applicable. The rights contained in this Clause 8 shall terminate, however, unless written notice of such election together with the **Additional Premium Amount** due is received by the **Insurer** within thirty (30) days of the effective date of cancellation or nonrenewal.

The **Additional Premium Amount** for the elected **Discovery Period** shall be the "**Full Annual Premium**" (as defined below) multiplied by the applicable percentage amount indicated in Item 6 of the Declarations for the length of time elected for the **Discovery Period**.

As used herein, "**Full Annual Premium**" means:

- (a) with regard to a canceled or non-renewed Policy, the premium level in effect immediately prior to the end of the Policy Period for each respective **Named Entity** based off the premium amount set forth in Item 7 of the applicable **Program Participants Endorsement** for the respective **Named Entity**; or
- (b) with regard to a canceled or non-renewed **Coverage Section**, the total annual premium charged for the respective **Named Entity** for such **Coverage Section**.

In the event of a **Transaction**, as defined in Clause 9 of these **General Terms and Conditions**, as of the effective time of the **Transaction**:

- (a) This Policy shall continue in full force and effect as to **Wrongful Acts** occurring on or prior to the effective time of the **Transaction**, but there shall be no coverage afforded by any provision of this Policy for any **Wrongful Act** occurring after the effective time of the **Transaction**.
- (b) The particular **Named Entity** shall have the right to a period of up to six (6) years following the effective time of the **Transaction** (hereinafter "**Run-Off Period**") in which to give written notice to the **Insurer of Claims** first made against the **Insureds** during said **Run-Off Period** for any **Wrongful Act** occurring on or prior to the effective time of the **Transaction** and otherwise covered by this Policy, provided that in all events the coverage as is afforded by the **Run-Off Period** shall be conditioned upon the particular **Named Entity** paying when due any additional premium owed to the **Insurer**. If the particular **Named Entity** shall not exercise this right, then the **Insureds' Representative**, or any subsidiary thereof that is not an **Insured**, shall have the right to exercise such right with respect to such particular **Named Entity** upon payment of the requisite additional premium on the same terms and subject to the same limitations and conditions as would have applied to the particular **Named Entity** if it had exercised such right. In the event the **Insureds' Representative** or any such subsidiary exercise such right, then the resulting coverage afforded by the Policy shall be no less or greater than would have resulted had the particular **Named Entity** exercised such right, and in no way shall the **Insureds' Representative** or any other person or entity that is not an Insured under the Policy be afforded coverage as a result of the exercise of such right.
- (c) The additional premium for the election of the **Run-Off Period** shall be no more than 150% of the **Full Annual Premium** less any **Remaining Pro-Rata Premium** of this Policy (as used herein, "**Remaining Pro-Rata Premium**" shall be determined by multiplying the **Daily Premium** by the **Remaining Policy Period**). The **Daily Premium** means the total **Policy Period** premium for the respective **Named Entity** based off the premium amount set forth in Item 7 of the applicable **Program Participants Endorsement** for the respective **Named Entity** divided by total number of days in the **Policy Period**. The **Remaining Policy Period** means the number of days between the effective time of the **Transaction** and the expiration date of the **Policy Period**. The **Insurer** hereby agrees that if the amount of the **Remaining Pro-Rata Premium** exceeds the **Run-Off Premium** then the **Insurer** shall return to the particular **Named Entity** that amount of the **Remaining Pro-Rata Premium** which exceeds the **Run-Off Premium**.

The **Run-Off Period** shall be subject to all the terms, conditions and limitations of this Policy. The **Run-Off Period** shall not provide coverage for any **Wrongful Act(s)** occurring after the effective time of the **Transaction**.

The **Discovery Period** or **Run-Off Period** is not cancelable, except that the **Insurer** may cancel the **Discovery Period** or **Run-Off Period** for non-payment of premium. This Clause 8 and the rights contained herein shall not apply to any cancellation resulting from non-payment of premium.

The **Designated Limit of Liability** for the **Run-Off Period** shall be part of and not in addition to the remaining **Designated Limit of Liability** for each respective **Named Entity** in the **Program Participants Endorsement** as of the **Transaction**. In no way shall the language of this endorsement be construed to reinstate, renew or increase the **Designated Limit of Liability** or the **Run-Off Period**.

9. CHANGE IN CONTROL OF NAMED ENTITY

If during the **Policy Period**:

- (a) any particular **Named Entity** shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
- (b) any person or entity or group of persons or entities acting in concert shall acquire **Management Control** of any particular **Named Entity**;

(either of the above events herein referred to as the "**Transaction**"),

then, with respect to such **Named Entity** which is subject to a **Transaction** (hereinafter referred to as "**Transaction Named Entity**"), this Policy shall continue in full force and effect as to **Wrongful Acts** occurring prior to the effective time of the **Transaction**, but there shall be no coverage afforded by any provision of this Policy for any actual or alleged **Wrongful Act** occurring after the effective time of the **Transaction**.

This Policy and any purchased **Coverage Section** may not be canceled after the effective time of the **Transaction**. The particular **Named Entity** shall also have the right to an offer by the **Insurer** of a **Run-Off Period** described in Clause 8 of these **General Terms and Conditions**.

10. SUBROGATION

In the event of any payment under this Policy, the **Insurer** shall be subrogated to the extent of such payment to each **Insured's** rights of recovery thereof, and each **Insured** shall execute all papers required and shall do everything that may be reasonably necessary to secure such rights, including the execution of such documents necessary to enable the **Insurer** to bring suit in the name of the **Insured**. In no event, however, shall the **Insurer** exercise or pursue, directly or indirectly, any right(s) of recovery, right(s) of subrogation or other rights against any **Insured** under this Policy or the **Insureds' Representative**, unless such **Insured** or **Insureds' Representative** has been convicted of a criminal act, or been determined by a final, non-appealable adjudication in the underlying proceeding to have committed a fraudulent act or willful violation of any statute, rule or law, or determined by a final non-appealable adjudication to have obtained any profit or advantage to which such **Insured** was not legally entitled. For purposes of this Clause, in order for a criminal act to permit the **Insurer** to exercise or pursue any rights of subrogation against any **Insured** under this Policy, the act must be a criminal violation in the United States of America.

In the event that the **Insurer** shall for any reason pay **Indemnifiable Loss** on behalf of an **Individual Insured**, the **Insurer's** subrogation rights shall include, but not be limited to, the assertion of indemnification or contribution rights with respect to any such payments it makes or advances; *provided, however*, the **Insurer's** subrogation rights shall not include the assertion of indemnification or contribution rights against the **Insureds' Representative** or any affiliate or subsidiary thereof that is not a **Company**. Additionally, upon the **Insurer** making any payment of **Loss** within the Retention, the **Insurer** shall have a direct contractual right under this Policy to recover from the **Company**, or in the event of the bankruptcy of the **Company**, from the debtor-in-possession (or equivalent status outside the United States) such **Loss** which was paid by the **Insurer** within the Retention. Such direct contractual right of recovery against the **Company** shall be in addition to and independent of the **Insurer's** subrogation right pursuant to this Clause 10 and any other rights the **Insurer** may have under applicable law.

11. OTHER INSURANCE

With respect to all **Coverage Sections**, other than the **EPL Coverage Section** and except in the case of (a) personal liability insurance maintained by an **Individual Insured** or (b) insurance available to an **Individual Insured** through the **Insureds' Representative** or any investment fund established by the **Insureds' Representative**, such insurance as is provided by this Policy shall apply only as excess over any other valid and collectible insurance which actually pays **Loss** otherwise covered by this Policy, unless such other valid and collectible insurance is expressly written to be excess over the **Designated Policy Aggregate Limit of Liability** or any applicable **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** provided by this Policy. Except as provided herein, this Policy specifically shall be excess of any other valid and collectible insurance pursuant to which any other insurer has a duty to defend, and does actually defend a **Claim** for which this Policy may be obligated to pay **Loss**.

Notwithstanding the foregoing, such insurance as is provided by this policy shall apply as primary insurance with respect to:

- (a) any private equity or venture capital liability, general partner liability, or other similar management or professional liability insurance maintained by any direct or indirect shareholder of the **Named Entity** including any liability policy maintained by the **Insureds' Representative** or any affiliate or subsidiary thereof that is not a **Company**;
- (b) any indemnification which may be owed to an **Individual Insured** by a direct or indirect shareholder of the **Named Entity** or the **Insureds' Representative**; or
- (c) any personal liability insurance that may be available to an **Individual Insured**.

Such insurance as is provided by the **EPL Coverage Section** shall be primary unless expressly written to be excess over other applicable insurance.

With respect to all **Coverage Sections**, in the event of a **Claim** against an **Outside Entity Executive**, or a **Claim** against an **Insured** for the **Insured's** liability with respect to a leased **Employee** or independent contractor **Employee** as described in the definition of "**Employee**" in the applicable **Coverage Section**, coverage as is afforded by this Policy shall be specifically excess of any:

- (a) indemnification provided by such **Outside Entity** or leasing company; and
- (b) other valid and collectible insurance provided to such **Outside Entity** or its **Executives**, leasing company or independent contractor;

provided, however, that any otherwise covered **Loss** of an **Outside Entity Executive** which is paid by an **Outside Entity** or by valid and collectible insurance coverage afforded to such **Outside Entity Executive** shall be applied to and erode any retention under this policy which is applicable to such **Outside Entity Executive**.

12. NOTICE AND AUTHORITY

Except for the giving of a notice of **Claim**, which shall be governed by the provisions of Clause 6 of these **General Terms and Conditions**, all notices required under this Policy to be given by the **Insured** to the **Insurer** shall be given by e-mail or by certified mail to the **Insurer** at the address stated in Item 8(a) of the **Declarations**. It is agreed that the **Insureds' Representative** shall act on behalf of all **Named Entities** and all **Insureds** with respect to the giving and receiving of notice of cancellation and nonrenewal, the payment of premiums and the receiving of any return premiums that may become due under this Policy, the receipt and acceptance of any endorsements issued to form a part of this Policy, the exercising or declining of the right to tender the defense of a **Claim** to the **Insurer** and the exercising or declining to exercise any right to a **Discovery Period**.

13. ASSIGNMENT

This Policy and any and all rights hereunder are not assignable without the prior written consent of the **Insurer**, which consent shall be in the sole and absolute discretion of the **Insurer**.

14. DISPUTE RESOLUTION PROCESS

It is hereby understood and agreed that all disputes or differences which may arise under or in connection with this Policy, whether arising before or after termination of this Policy, including any determination of the amount of **Loss**, must first be submitted to the non-binding mediation process as set forth in this Clause.

The non-binding mediation will be administered by any mediation facility to which the **Insurer** and the particular **Named Entity** mutually agree, in which all implicated **Insureds** and the **Insurer** shall try in good faith to settle the dispute by mediation in accordance with the American Arbitration Association's ("**AAA**") then-prevailing Commercial Mediation Rules. The parties shall mutually agree on the selection of a mediator. The mediator shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. The mediator shall also give due consideration to the general principles of the law of the state where the particular **Named Entity** is incorporated in the construction or interpretation of the provisions of this Policy. In the event that such non-binding mediation does not result in a settlement of the subject dispute or difference:

- (a) either party shall have the right to commence a judicial proceeding; or
- (b) either party shall have the right, with all other parties consent, to commence an arbitration proceeding with the **AAA** that will be submitted to an arbitration panel of three (3) arbitrators as follows:
 - (i) the **Insured** shall select one (1) arbitrator;
 - (ii) the **Insurer** shall select one (1) arbitrator; and
 - (iii) said arbitrators shall mutually agree upon the selection of the third arbitrator. The arbitration shall be conducted in accordance with the **AAA's** then prevailing Commercial Arbitration Rules.

Notwithstanding the foregoing, no such judicial or arbitration proceeding shall be commenced until at least thirty (30) days after the date the non-binding mediation shall be deemed concluded or terminated. Each party shall share equally the expenses of the non-binding mediation. All applicable statutes of limitation shall be tolled during the pendency of the mediation and during such thirty (30) day period following the conclusion and termination of the mediation.

The non-binding mediation and arbitration proceeding may be commenced in either New York or in the state indicated in Item 1 of the **Program Participants Endorsement** as the mailing address for the respective **Named Entity**. The respective **Named Entity** shall act on behalf of each and every **Insured** in connection with any non-binding mediation under this Clause, the selection of arbitration or judicial proceeding or the selection of mediators or arbitrators.

15. ACTION AGAINST INSURER

Except as provided in Clause 14 above, no action shall lie against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy by the **Insured**, 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**.

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 under this Policy to join the **Insurer** as a party to any action against the **Insured** or the **Company** to determine the **Insured's** liability, nor shall the **Insurer** be impleaded by the **Insured** or the **Company** or their legal representatives. Bankruptcy or insolvency of the **Company** or any **Insured** or of their estates shall not relieve the **Insurer** of any of its obligations hereunder.

16. WORLDWIDE TERRITORY

Where legally permissible, this Policy shall apply to any **Claim** made against any **Insured** anywhere in the world.

17. SERVICE OF SUIT

Subject to Section 14 of this Policy, it is agreed that in the event of failure of the **Insurer** to pay any amount claimed to be due hereunder, the **Insurer**, at the request of the **Insured**, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Clause 17 constitutes, or should be understood to constitute, a waiver of the **Insurer's** rights 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 of any state in the United States. It is further agreed that service of process in such suit may be made upon General Counsel, Legal Department, AIG Specialty Insurance Company, 70 Pine Street New York, NY 10270, or his or her representative, and that in any suit instituted against the **Insurer** upon this contract, the **Insurer** will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, the **Insurer** hereby designates the Superintendent, Commissioner, or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above-named General Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

18. REPRESENTATIONS AND SEVERABILITY

In granting coverage under this Policy, it is agreed that the **Insurer** has relied upon the statements and representations contained in the **Application** for this Policy as being accurate and complete in all material respects. All such statements and representations are the basis of this Policy and are to be considered as incorporated into this Policy.

The **Insureds** agree that in the event that the particulars and statements contained in the **Application** are not accurate and complete and materially affect either the acceptance of the risk or the hazard assumed by the **Insurer** under the Policy and there is a **Claim** based upon or arising out of such particulars or statements, then no coverage shall be afforded under this Policy for such **Claim** with respect to any **Individual Insured** who had actual knowledge as of the inception date of the **Policy Period** that the material facts were not accurately and completely disclosed in the **Application** and only to the extent it was made with the intent to deceive the Insurer. Such aforesaid knowledge possessed by any **Insured** shall not be imputed to any other **Insured**.

The **Insurer** shall not be entitled under any circumstances to rescind coverage under this Policy with respect to any **Insured**, but such coverage will be subject to all other terms, conditions and exclusions of this Policy.

It is understood and agreed that this Clause 18. REPRESENTATIONS AND SEVERABILITY supersedes any inconsistent language contained in the **Application**.

19. FIRST DOLLAR E-DISCOVERY CONSULTANT SERVICES

For any **Claim**, no Retention shall apply to the first \$25,000 in **Defense Costs** incurred for **E-Discovery Consultant Services**.

The list of pre-approved e-discovery consulting firms ("**E-Consultant Firms**") is accessible through the online directory at <http://www.aig.com/us/panelcounseldirectory> under the "e-Consultant Panel Members" link. The list provides the **Insureds** with a choice of firms from which a selection of an **E-Consultant Firm** shall be made. Any **E-Consultant Firm** may be hired by an **Insured** to perform **E-Discovery Consultant Services** without further approval by the Insurer.

20. HEADINGS

The descriptions in the headings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

**Directors, Officers and Private Company Liability Insurance
("D&O COVERAGE SECTION")**

Notice: Pursuant to Clause 1 of the General Terms and Conditions, the General Terms and Conditions are incorporated by reference into, made a part of, and are expressly applicable to this D&O Coverage Section, unless otherwise explicitly stated to the contrary in either the General Terms and Conditions or in this D&O Coverage Section. This is a Claims Made Coverage Section with Defense Costs included in the Designated Separate Limit of Liability or the Designated Shared Limit of Liability.

In consideration of the payment of the premium, and in reliance upon the statements made to the **Insurer** by **Application**, which forms a part of this Policy, the **Insurer** agrees as follows:

1. INSURING AGREEMENTS

With respect to Coverage A, B, D, E and F and the Defense Provisions, solely with respect to **Claims** first made during the **Policy Period** or the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this Policy, and subject to the other terms, conditions and limitations of this Policy, this **D&O Coverage Section** affords the following coverage:

COVERAGE A: INDIVIDUAL INSURED INSURANCE

This **D&O Coverage Section** shall pay the **Loss** of an **Individual Insured** arising from a **Claim** made against such **Individual Insured** for any **Wrongful Act** of such **Individual Insured**, except when and to the extent that the **Company** has indemnified such **Individual Insured**. Payment of **Defense** shall be made in accordance with and subject to Clause 7 of this **D&O Coverage Section**..

COVERAGE B: PRIVATE COMPANY INSURANCE

This **D&O Coverage Section** shall pay the **Loss** of the **Company** arising from a:

- (i) **Claim** made against the **Company**; or
- (ii) **Claim** made against an **Individual Insured**;

for any **Wrongful Act**, but, in the case of Coverage B(ii) above, only when and to the extent that the **Company** has indemnified the **Individual Insured** for such **Loss**. The **Insurer** shall, in accordance with and subject to Clause 7 of this **D&O Coverage Section**, advance **Defense Costs** of such **Claim** prior to its final disposition.

COVERAGE C: CRISISFUND. INSURANCE

This **D&O Coverage Section** shall pay the **Crisis Management Loss** of a **Company** solely with respect to a **Crisis Management Event** occurring during the **Policy Period** or the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this Policy, up to the amount of the **Crisis Management Fund**; provided that payment of any **Crisis Management Loss** under this **D&O Coverage Section** shall not waive any of the **Insurer's** rights under this **D&O Coverage Section** or at law. This Coverage C shall apply regardless of whether a **Claim** is ever made against an **Insured** arising from such **Crisis Management Event** and, in the case where a **Claim** is made, regardless of whether the amount is incurred prior to or subsequent to the **Claim** being first made.

COVERAGE D: COSTS OF INVESTIGATION FOR DERIVATIVE DEMAND

This **D&O Coverage Section** shall pay the **Costs of Investigation** of the **Company** arising from a **Company Shareholder Derivative Investigation** in response to a **Derivative Demand** up to the amount set forth in Item 5 of the Declarations as amended by Item 3(b) of each **Program Participants Endorsement**. Payment of **Costs of Investigation** to a **Company** shall be made in accordance with and subject to Clause 7 of this **D&O Coverage Section**.

COVERAGE E: CONTRACT CLAIM DEFENSE COSTS COVERAGE

This **D&O Coverage Section** shall pay the **Defense Costs** of a **Company** arising from a **Contract Claim** up to the amount set forth in Item 3(e) of each **Program Participants Endorsement**. Payment of **Defense Costs** to a **Company** shall be made in accordance with and subject to Clause 7 of this **D&O Coverage Section**.

COVERAGE F: PRE-CLAIM INQUIRY COSTS FOR PRE-CLAIM INQUIRY

- (a) This policy shall pay the **Loss** of any **Individual Insured** arising from a **Pre-Claim Inquiry** first received by such **Individual Insured** during the **Policy Period** or any applicable **Discovery Period**, to the extent that such **Loss** is either **Pre-Claim Inquiry Costs** or **Liberty Protection Costs**; except when and to the extent that an **Company** has indemnified such **Individual Insured**; and
- (b) This policy shall pay the **Loss** of a **Company** arising from a **Pre-Claim Inquiry** first received by such **Individual Insured** during the **Policy Period** or any applicable **Discovery Period**, to the extent that such **Loss** is either **Pre-Claim Inquiry Costs** or **Liberty Protection Costs**, but only to the extent that such **Company** has indemnified such **Individual Insured**.

DEFENSE PROVISIONS

The **Insurer** does not assume any duty to defend. The **Insurer** shall advance **Defense Costs** of such **Claim**, excess of the applicable Retention amount, on a current basis and, in any event, no later than sixty (60) days after the receipt of invoices of such **Defense Costs**. Selection of counsel to defend a **Securities Claim** shall be made in accordance with Clause 9 of this **D&O Coverage Section**.

With respect to Coverage D above, it shall be the duty of the **Company** and not the duty of the **Insurer** to conduct, investigate and evaluate any **Company Shareholder Derivative Investigation** against its own **Executives**; *provided, however*, that the **Insurer** shall be entitled to effectively associate in the investigation and evaluation of, and the negotiation of any settlement of, any such **Company Shareholder Derivative Investigation**.

2. DEFINITIONS

- (a) "**Affiliate**" means:
 - (i) any person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is in common control with, a **Company**; or
 - (ii) any person or entity that directly, or indirectly through one or more intermediaries, is a successor in interest to another person or entity.

- (b) **"Asset Protection Costs"** means reasonable fees, costs and expenses consented to by the **Insurer** incurred by an **Executive** of a **Company** to oppose any efforts by an **Enforcement Body** to seize or otherwise enjoin the personal assets or real property of such **Executive** or to obtain the discharge or revocation of a court order entered during the **Policy Period** in any way impairing the use thereof.
- (c) **"Company Shareholder Derivative Investigation"** means the investigation by the **Company** or, on behalf of the **Company** by its board of directors (or the equivalent management body) or any committee of the board of directors (or the equivalent management body), as to whether or not the **Company** should bring the civil proceeding demanded in a **Derivative Demand**.
- (d) **"Contract Claim"** means any **Claim** for any actual or alleged contractual liability of the **Company** under any express written contract or agreement.
- (e) **"Controlling Person"** means any **Individual Insured** who, directly or indirectly:
 - (i) holds a ten percent (10%) or greater equity or debt ownership interest in a **Company**; or
 - (ii) controls a **Company** within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Act of 1934, as amended, or under common law or under any other applicable statute, rule, regulation or law.
- (f) **"Costs of Investigation"** means all reasonable costs, charges, fees and expenses consented to by the **Insurer** (including but not limited to attorney's fees and expert's fees but not including any settlement, judgment or damages and not including any compensation or fees of any **Individual Insured**) incurred by the **Company** or its board of directors (or any equivalent management body), or any committee of the board of directors (or any equivalent management body), solely in connection with a **Company Shareholder Derivative Investigation**.
- (g) **"Crisis Management Event"** means **Crisis Management Event**, as that term is defined in Appendix D attached to this Policy.
- (h) **"Crisis Management Fund"** means the dollar amount set forth in Item 5 of the Declarations as amended by Item 3(a) of each **Program Participants**.
- (i) **"Crisis Management Loss"** means **Crisis Management Loss**, as that term is defined in Appendix D attached to this Policy.
- (j) **"Crisis Management Services"** means **Crisis Management Services**, as that term is defined in Appendix D attached to this Policy.
- (k) **"Derivative Demand"** means a written demand by shareholders or creditors upon the board of directors (or equivalent management body) of a **Company** requesting that it file, on behalf of the **Company**, a civil proceeding in a court of law against any **Executive** of the **Company** for a **Wrongful Act** of such **Executive** in order to obtain relief from damages arising out of such **Wrongful Acts**.
- (l) **"Derivative Investigation"** means after receipt by any **Insured** of a **Claim** that is either a derivative lawsuit or a **Derivative Demand**, any investigation conducted by the **Company**, or on behalf of the **Company** by its board of directors (or the equivalent management body) or any committee of the board of directors (or equivalent management body), as to how the Organization should respond.

- (m) **"Employed Lawyer"** means any employee of the **Company** if and to the extent such employee is, or during the course of such person's employment was:
 - (i) admitted to practice law; and
 - (ii) employed, or was employed, at the time of the alleged **Wrongful Act**, within the **Company's** office of general counsel or its functional equivalent for the purpose of providing legal services to or for the benefit of the **Company**.
- (n) **"Enforcement Body"** means:
 - (i) any federal, state, local or foreign law enforcement authority or other governmental investigation authority (including, but not limited to, the U.S. Department of Justice, the U.S. Securities and Exchange Commission and any attorney general), or
 - (ii) the enforcement unit of any securities or commodities exchange or other self-regulatory organization.
- (o) **"Extradition"** means any formal process by which an **Individual Insured** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation.
- (p) **"Extradition Costs"** means reasonable fees, costs and expenses incurred through legal counsel and consented to by the **Insurer** resulting from an **Individual Insured** lawfully (a) opposing, challenging, resisting or defending against any request for any effort to obtain the **Extradition** of that **Individual Insured**, or (b) appealing any order or other grant of **Extradition** of that **Individual Insured**.
- (q) **"Individual Insured"** means any:
 - (i) **Executive** of a **Company**;
 - (ii) **Employee** of a **Company**;
 - (iii) **Controlling Person**; or
 - (iv) **Outside Entity Executive**.
- (r) **"Insured"** means:
 - (i) an **Individual Insured**; or
 - (ii) a **Company**.
- (s) **"Liberty Protection Costs"** means:
 - (i) reasonable fees, costs and expenses consented to by the **Insurer** and incurred by an **Individual Insured** in order for an **Individual Insured** to lawfully seek the release of the **Individual Insured** from any pre- **Claim** arrest or confinement to a (a) specified residence or (b) secure custodial premises operated by or on behalf of any law enforcement authority; or
 - (ii) reasonable premiums (but not collateral) consented to by the **Insurer** and incurred by an **Individual Insured** for a bond or other financial instrument to guarantee the contingent obligation of the **Individual Insured** for a specified amount required by a court that are incurred or required outside the United States of America during the **Policy Period**, if such premiums: (a) arise out of an actual or alleged **Wrongful Act**, or (b) are incurred solely by reason of such **Individual Insured's** status as an **Executive** or **Employee** of a **Company**.

- (t) **"Local Policy"** means any **Foreign Policy** issued to a **Company** in a **Foreign Jurisdiction** in order to comply with laws of such **Foreign Jurisdiction**.
- (u) **"Loss"** means damages, judgments, settlements, pre-judgment and post-judgment interest, **Crisis Management Loss** and **Defense Costs**; *provided, however, Loss, other than Defense Costs, shall not include:*
 - (i) civil or criminal fines or penalties deemed uninsurable by law pursuant to which this Policy shall be construed other than civil penalties assessed against any individual director or officer pursuant to Sections 2(g)(2)(B) of the Foreign Corrupt Practices Act, 15 U.S.C. ' 78dd - 2(g)(2)(B);
 - (ii) taxes; or
 - (iii) any amounts for which an **Insured** is not financially liable or which are without legal recourse to an **Insured**; or
 - (iv) amounts which may be deemed uninsurable under the law pursuant to which this Policy shall be construed including, without limitation, any disgorgement or payment of ill gotten gains, or any other monies to which an **Insured** was not legally entitled, as established by final adjudication (notwithstanding the foregoing, the Insurer shall not assert that a **Claim** alleging violations of Section 11, 12, 15 or 17 of the Securities Act of 1933, as amended, constitutes uninsurable loss under this Policy);

Loss shall also mean the following items, provided that they arise out of a **Claim**:

- (1) **SOX 304 Costs**;
- (2) **Extradition Costs**;
- (3) **UK Corporate Manslaughter Act Defense Costs**;
- (4) **Personal Reputation Expenses**, subject to \$100,000 per **Executive** and a \$1,000,000 aggregate sublimit of liability; and
- (5) **Asset Protection Costs**, subject to \$50,000 per **Executive** and a \$500,000 aggregate sublimit of liability.

Defense Costs shall be provided for items specifically excluded from **Loss** pursuant to subparagraphs (u)(i) through (u)(iv) above of this Definition, subject to the other terms, conditions and exclusions of this Policy. *Provided, however,* that the Insurer shall not assert that in a **Claim** alleging violation of Section 11, 12, 15 or 17 of the Securities Act of 1933, as amended, the portion of any amounts incurred by **Insureds** which are attributable to such violations constitutes uninsurable loss and shall treat that portion of all settlements, judgments, and **Defense Costs** as constituting **Loss** under this Policy.

Loss shall specifically include, subject to the other terms, conditions and exclusions of this **D&O Coverage Section**, including, but not limited to, exclusions 4(a), 4(b) and 4(c) of this **D&O Coverage Section**, punitive, exemplary and multiple damages where insurable by law. The enforceability of the first sentence of this paragraph shall be governed by such applicable law which most favors coverage for punitive, exemplary and multiple damages.

Loss shall also include any reasonable fees and expenses of any attorney representing any party who has brought a **Claim** against any **Insured** where such fees and expenses are awarded pursuant to a covered judgment against an **Insured** or a covered settlement (consented to by the Insurer, which consent shall not be unreasonably withheld or denied) to which an **Insured** is a party.

Whether an **Insured** has incurred **Loss** under this Policy shall be determined without regard to any indemnification that may be available to such **Insured** from the **Insured's Representative** or any affiliate or subsidiary thereof that is not a **Company** and without regard to any other insurance coverage that may be available to such **Insured** under any insurance policy issued to any **Insured's Representative** or any affiliate or subsidiary thereof that is not a **Company**.

- (v) **"Personal Reputation Crisis"** means any negative statement that is included in any press release or published by any print or electronic media outlet regarding an **Executive** of a **Company** made during the **Policy Period** by any individual authorized to speak on behalf of an **Enforcement Body**.
- (w) **"Personal Reputation Expenses"** means reasonable fees, costs and expenses of a **Crisis Management Firm** (as defined in the CrisisFund Appendix, attached to this policy) retained within thirty (30) days of a **Personal Reputation Crisis** solely and exclusively by an **Executive** to mitigate the adverse effects specifically to such **Executive's** reputation from a **Personal Reputation Crisis**. **Personal Reputation Expenses** shall not include any fees, costs, or expenses of any **Crisis Firm** incurred by an **Executive** if such **Crisis Firm** is also retained by or on behalf of a **Company**.
- (x) **"Pre-Claim Inquiry"** means any pre- **Claim**:
 - (i) verifiable request for an **Individual Insured** of any Organization: (a) to appear at a meeting or interview; or (b) produce documents that, in either case, concerns the business of that Organization or that **Individual Insured's** insured capacities, but only if the request came from any:
 - (1) **Enforcement Body**; or
 - (2) **Company**, or, on behalf of a **Company**, by its board of directors (or the equivalent management body) or any committee of the board of directors (or the equivalent management body):
 - (A) arising out of an inquiry or investigation by an **Enforcement Body** concerning the business of that **Company** or that **Individual Insured's** insured capacities; or
 - (B) as part of its **Derivative Investigation**; and
 - (ii) arrest or confinement of an **Executive** of a **Company** to a: (a) specified residence; or (b) secure custodial premises operated by or on behalf of an **Enforcement Body**, in connection with the business of any **Company** or an **Individual Insured's** capacity as an **Executive** or **Employee** of a **Company**.

"Pre-Claim Inquiry" shall not include any routine or regularly scheduled regulatory or internal supervision, inspection, compliance, review, examination, production or audit, including any request for mandatory information from a regulated entity, conducted in a **Company's** and/or **Enforcement Body's** normal review or compliance process.

- (y) **"Pre-Claim Inquiry Costs"** means:
- (i) with respect to any **Pre-Claim Inquiry** as defined in subparagraph (1) of the Definition of such term, the reasonable pre- **Claim** fees, costs and expenses consented to by the Insurer and incurred by an **Individual Insured** solely in connection with his/her preparation for and response to a **Pre-Claim Inquiry** directed to such **Individual Insured**, including attendance at an interview or meeting requested by an **Enforcement Body**, but excluding (i) any compensation of any **Individual Insured**; and (ii) the costs of complying with any formal or informal discovery or other request seeking documents, records or electronic information in the possession or control of a **Company**, the requestor or any other third party; and
 - (ii) with respect to any **Pre-Claim Inquiry** as defined in subparagraph (2) of the Definition of such term, any **Liberty Protection Costs**.
- (z) **"Securities Claim"** means a **Claim** made against any **Insured** and brought anywhere in the world:
- (i) alleging a violation of any federal, state, local or foreign regulation, rule or statute regulating securities (as defined in the Securities Act of 1933) or common law, including, but not limited to, the purchase or sale, or offer or solicitation of an offer to purchase or sell securities which is:
 - (1) brought by, on behalf of, or in the right of any person or entity alleging, arising out of, based upon or attributable to the purchase or sale, or offer or solicitation of an offer to purchase or sell, any securities (as defined in the Securities Act of 1933) of a **Company**; or
 - (2) brought by, on behalf of, or in the right of a security holder, purchaser or seller of securities of a **Company** with respect to such security holder's, purchaser's or seller's interest in securities (as defined in the Securities Act of 1933) of such **Company**; or
 - (ii) brought derivatively on the behalf of a **Company** by a security holder, purchaser or seller of such **Company**.
 - (iii) which is brought by or on behalf of one or more securities holders of a **Company** in their capacity as such; or
 - (iv) which arises from the purchase or sale of, or offer to purchase or sell, any securities (as defined in the Securities Act of 1933) issued by a **Company**, whether such purchase, sale or offer involves a transaction with a **Company** or occurs in the open market.

The term **"Securities Claim"** shall include an administrative or regulatory proceeding against a **Company**.

- (aa) **"SOX 304 Costs"** means reasonable fees, costs and expenses consented to by the **Insurer** (including the premium or origination fee for a loan or bond) and incurred by the chief executive officer or chief financial officer of the **Named Entity** solely to facilitate the return of amounts required to be repaid by such **Executive** pursuant to Section 304(a) of the Sarbanes Oxley Act of 2002. **SOX 304 Costs** do not include the payment, return, reimbursement, disgorgement or restitution of any such amounts requested or required to be repaid by such **Executive** pursuant to Section 304(a).

- (bb) **"UK Corporate Manslaughter Act Defense Costs"** means **Defense Costs** incurred by an **Individual Insured** that result solely from the investigation, adjustment, defense and/or appeal of a **Claim** against a **Company** for violation of the United Kingdom Corporate Manslaughter and Corporate Homicide Act of 2007 or any similar statute in any jurisdiction.
- (cc) **"Written Sale Agreement"** means any purchase or sale agreement, plan of merger document, asset sale agreement or other similar document.
- (dd) **"Wrongful Act"** means:
 - (i) with respect to any **Executive** or **Employee** of a **Company**, any actual or alleged act, breach of duty, neglect, error, statement, misstatement, misleading statement, or omission by such **Executive** or **Employee** in their respective capacities as such, or any matter claimed against such **Executive** or **Employee** of a **Company** by reason of his or her status as an **Executive** or **Employee** of a **Company**;
 - (ii) with respect to a **Company**, any actual or alleged act, breach of duty, neglect, error, statement, misstatement, misleading statement, or omission by a **Company**;
 - (iii) with respect to any **Outside Entity Executive**, any actual or alleged act, breach of duty, neglect, error, statement, misstatement, misleading statement, or omission by such **Outside Entity Executive** in his or her capacity as such or any matter claimed against such **Outside Entity Executive** by reason of his or her status as such; or
 - (iv) with respect to any **Controlling Person**, any actual or alleged act, or other duty, neglect, error, statement, misstatement, misleading statement, or omission, by such **Controlling Person** in his or her capacity as such, or any matter claimed against such **Controlling Person** solely by reason of his or her status as a **Controlling Person**, but solely to the extent that a **Company** indemnifies such **Controlling Person**.

3. **WORLDWIDE EXTENSION**

Where legally permissible, this Policy shall apply to any **Claim** made against any **Insured** anywhere in the world.

For **Claims** made and maintained in a **Foreign Jurisdiction** against a **Company** formed and operating in such **Foreign Jurisdiction** or an **Individual Insured** thereof for **Wrongful Acts** committed in such **Foreign Jurisdiction**, the **Insurer** shall apply to such **Claims** those terms and conditions (and related provisions) of the relevant **Foreign Policy**, if any, in the **Foreign Jurisdiction** that are more favorable to such **Insured** in the **Foreign Jurisdiction** than the terms and conditions of this Policy; *provided however*, that this paragraph shall apply only to provisions more favorable by virtue of insuring clauses, extensions, definitions, exclusions, pre-authorized securities or other defense counsel, discovery or extended reporting period, notice and authority, dispute resolution process or order of payments provisions, if any, of the **Foreign Policy** when compared to the same or similar clauses of this **D&O Coverage Section**. This paragraph shall not apply to excess provisions or policy provisions that address non-renewal, duty to defend, defense within or without limits, taxes, claims made and reported provisions or any other provision of this policy intended to govern coverage worldwide.

All premiums, limits, retentions, **Loss** and other amounts under this **D&O Coverage Section** are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or other elements of **Loss** are stated or incurred in a currency other than United States of America dollars, payment of covered **Loss** due under this **D&O Coverage Section** (subject to the terms, conditions and limitations of this **D&O Coverage Section**) will be made either in such other currency (at the option of the particular **Named Entity** and if agreeable to the **Insurer**) or, in United States of America dollars, at the rate of exchange published in The Wall Street Journal on the date the **Insurer's** obligation to pay such **Loss** is established (or if not published on such date the next publication date of The Wall Street Journal).

It is hereby understood and agreed that with respect to any **Claim** covered under any **Local Policy**, this Policy shall, subject to the terms and conditions of this Policy, pay such **Claim** if and when the **Claim** is not covered under such **Local Policy** or would have been covered but for the erosion of such **Local Policy's** limit of liability.

Notwithstanding the foregoing, in the event of a **Claim** otherwise covered under both this Policy and a **Local Policy**, coverage under the **Local Policy** shall prevail. With respect to a **Claim** for which coverage is provided by this Policy and which is partially covered by a **Local Policy** there shall be no applicable retention to such **Claim** sustained by the **Insured** under this Policy.

4. EXCLUSIONS

Solely with respect to this **D&O Coverage Section**, the **Insurer** shall not be liable to make any payment for that portion of **Loss** in connection with that portion of any **Claim** made against an **Insured**:

- (a) arising out of, based upon or attributable to the gaining of any personal profit or financial advantage to which a final non-appealable adjudication adverse to such **Insured** in the underlying action establishes that the **Insured** was not legally entitled; *provided, however*, this exclusion shall not apply to any **Defense Costs** incurred prior to such final non-appealable adjudication;
- (b) arising out of, based upon or attributable to the payment to such **Insured** of any remuneration without the previous approval of the stockholders of the **Company**, if a final non-appealable adjudication adverse to such **Insured** in the underlying action establishes such payment without such previous approval was illegal; *provided, however*, this exclusion shall not apply to any **Defense Costs** incurred prior to such final non-appealable adjudication;
- (c) arising out of, based upon or attributable to the committing of any deliberate criminal or deliberate fraudulent act if a final non-appealable adjudication adverse to the **Insured** in the underlying action establishes that such deliberate criminal or deliberate fraudulent act committed by the **Insured**; *provided, however*, this exclusion shall not apply to any **Defense Costs** incurred prior to such final non-appealable adjudication;

provided, however:

- (i) EXCLUSIONS (a), (b), and (c) shall not apply to any **Claim** alleging violations of Section 11, 12 or 15 of the Securities Act of 1933 as amended to the portion of any **Loss** attributable to such violations; or

- (ii) with respect to EXCLUSION (b), for acts or omissions which are treated as a criminal violation in a **Foreign Jurisdiction** that are not treated as a criminal violation in the United States of America, the imposition of a criminal fine or other criminal sanction in such **Foreign Jurisdiction** will not, by itself, be conclusive proof that a deliberate criminal or deliberate fraudulent act occurred.
- (d) alleging, arising out of, based upon or attributable to the facts alleged, or to the same or **Related Wrongful Act(s)** alleged or contained in any claim which has been reported, or in any circumstances of which notice has been given, under any policy of which this **D&O Coverage Section** is a renewal or replacement of in whole or in part or which it may succeed in time; *provided, however,* that this exclusion shall not apply if a notice of circumstance was rejected for lack of specificity under the prior program;
- (e) alleging, arising out of, based upon or attributable to, as of the **Continuity Date**, any pending or prior:
 - (i) litigation against an **Insured**; or
 - (ii) administrative or regulatory proceeding against or investigation of an **Insured**,
of which the **Insured** had notice as of the inception date of the **Policy Period**, or alleging any **Wrongful Act** which is the same or **Related Wrongful Act(s)** to that alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;
- (f) with respect to an **Outside Entity Executive**, for any **Wrongful Act** occurring prior to the **Continuity Date** if any **Insured**, as of such **Continuity Date**, knew that such **Wrongful Act** would lead to a **Claim** under this **D&O Coverage Section**.
- (g) alleging, arising out of, based upon or attributable to any actual or alleged act or omission of an **Individual Insured** serving in any capacity, other than as an **Executive, Employed Lawyer, Controlling Person** or **Employee** of a **Company**, or as an **Outside Entity Executive** of an **Outside Entity**;
- (h) for any **Wrongful Act** arising out of an **Individual Insured** serving in a capacity as an **Outside Entity Executive** of an **Outside Entity** if such **Claim** is brought by the **Outside Entity** or any **Executive** thereof; or which is brought by any security holder of the **Outside Entity**, whether directly or derivatively, unless such security holder's **Claim** is instigated and continued independent of, and without the solicitation of, or assistance of, or active participation of, or intervention of the **Outside Entity**, the **Company**, or any **Executive** of the **Outside Entity** or the **Company**; *provided, however,* this exclusion shall not apply to:
 - (i) any **Claim** brought by an **Executive** of an **Outside Entity** in the form of a cross-claim or third-party claim for contribution or indemnity which is part of and results directly from a **Claim** that is covered by this **D&O Coverage Section**;
 - (ii) in any bankruptcy, insolvency, or liquidation proceeding by or against an **Outside Entity**, any **Claim** brought by the examiner, trustee, trust, receiver, liquidator, rehabilitator conservator, creditors' committee or any comparable authority (or any assignee thereof) of such **Outside Entity**, if any, or the debtor-in-possession;

- (iii) any **Claim** brought by any former **Executive** of an **Outside Entity** who has not served in such position for an **Outside Entity** for at least two (2) years prior to such **Claim** being first made against any person;
 - (iv) any **Claim** brought by an **Executive** of an **Outside Entity** formed and operating in a **Foreign Jurisdiction** against any **Outside Entity Executive** of such **Outside Entity**, provided that such **Claim** is brought and maintained outside the United States, Canada or any other common law country (including any territories thereof);
 - (v) any **Claim** brought by such **Outside Entity** or any **Executive** thereof if failure to make such **Claim** reasonably could result in liability to the **Insured** for failure to do so;
 - (vi) any **Claim** brought by or with the assistance, participation, solicitation or intervention of one particular **Named Entity** listed in a **Program Participants Endorsement** or by or with the assistance, participation, solicitation or intervention of a **Subsidiary** or **Insured** thereof, against a different respective **Named Entity** listed in a **Program Participants Endorsement**, or a **Subsidiary** or **Insured** of such different respective **Named Entity**, so long as such **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of **Insured's Representative**. and/or any director, officer, partner, management committee members or members of the Board of Managers of **Insured's Representative**.
- (i) which is brought by or on behalf of a **Company** or any **Executive** of a **Company**; or which is brought by any security holder, creditor or other interest holder of the **Company** (other than an **Employee** security holder), whether directly or derivatively, unless such security holder's, creditor's or other interest holder's **Claim** is instigated and continued independent of, and without the active solicitation, active assistance, or active participation of, or intervention of, any **Company** or any **Executive** of a **Company**; *provided, however,* this exclusion shall not apply to:
- (i) any **Claim** brought by an **Individual Insured** in the form of a cross-claim or third-party claim for contribution or indemnity which is part of and results directly from a **Claim** which is covered by this policy;
 - (ii) in any bankruptcy, insolvency, or liquidation proceedings brought by or against a **Company**, any **Claim** brought by the examiner, trustee, trust, receiver, liquidator, rehabilitator, conservator, creditors' committee or any comparable authority (or any assignee thereof) of such **Company**, if any, or the debtor-in-possession;
 - (iii) any **Claim** brought by any former **Executive** of a **Company** who has not served in such capacity for a **Company** for at least two (2) years prior to such **Claim** being first made against any person;
 - (iv) any **Claim** brought and maintained outside the United States, Canada or any other common law country (including any territories thereof);

- (v) any **Claim** brought by or with the assistance, participation, solicitation or intervention of one particular **Named Entity** listed in a **Program Participants Endorsement** or by or with the assistance, participation, solicitation or intervention of a **Subsidiary** or **Insured** thereof, against a different respective **Named Entity** listed in a **Program Participants Endorsement**, or a **Subsidiary** or **Insured** of such different respective **Named Entity**, so long as such **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of the **Insured's Representative** and/or any director, officer, partner, management committee members or members of the Board of Managers of the **Insured's Representative**;
- (vi) any **Claim** against any **Employed Lawyer**;
- (vii) any **Defense Costs** which constitute **Non-Indemnifiable Loss** incurred by any **Individual Insured** in defending any **Claim** against that **Individual Insured**;
- (viii) any **Claim** brought by or with the solicitation, assistance, participation or intervention of an **Individual Insured** who is engaging in any protected activity specified in 18 U.S.C. 1514A(a) ("whistleblower" protection pursuant to the Sarbanes-Oxley Act of 2002), the Dodd Frank Act or any other protected activity specified in any other "whistleblower" protection pursuant to any state, local or foreign laws;
- (j) alleging, arising out of, based upon or attributable to any public offering of equity securities by a **Company**, an **Outside Entity** or an **Affiliate** or alleging a purchase or sale of such equity securities subsequent to such public equity securities offering; *provided, however*, this exclusion will not apply to:
 - (i) any purchase or sale of equity securities exempted pursuant to Section 3(b) of the Securities Act of 1933. Coverage for such purchase or sale transaction shall not be conditioned upon payment of any additional premium;
 - (ii) any public offering of equity securities (other than a public equity securities offering described in subparagraph 4(j)(i) above), as well as any purchase or sale of such equity securities subsequent to such public equity securities offering, in the event that within thirty (30) days prior to the effective time of such public equity securities offering:
 - (1) the particular **Named Entity** shall give the **Insurer** written notice of such public equity securities offering together with full particulars and underwriting information required thereto; and
 - (2) the particular **Named Entity** accepts such terms, conditions and additional premium required by the **Insurer** for such coverage. Such coverage is also subject to the particular **Named Entity** paying when due any such additional premium. In the event the **Company** gives written notice with full particulars and underwriting information pursuant to subpart 4(j)(ii)(1) above, then the **Insurer** must offer a quote for coverage under this paragraph;

- (iii) any **Claim** for **Loss** alleging a **Wrongful Act** which occurred during the **Insured's** preparations to commence an initial public offering ("**IPO**"), including but not limited to any failed offering, and which occurred at any time prior to **12:01 a.m.** on the date the initial public offering commences ("**IPO Effective Time**"), including any **Claim** for **Loss** alleging a **Wrongful Act** which occurred during the road show; *provided, however* that the coverage otherwise afforded under this subparagraph (iii) shall be deemed to be void *ab initio* effective the **IPO Effective Time**; *provided further, however*, that coverage shall not be deemed void *ab initio* if:
 - (1) the **Claim** is first made and reported pursuant to Clause 7(a) of the **General Terms and Conditions** prior to the **IPO Effective Time**, and
 - (2) a public company D&O policy does not provide coverage for such **Claim**;
- (iv) any purchase or sale or offer or solicitation of an offer to purchase or sell any securities made pursuant to any exemption under the Securities Act of 1933, including but not limited to any purchase or sale made pursuant to Regulation D or Regulation S under the Securities Act of 1933; or
- (v) any public offering of debt securities, including any purchase or sale of such debt subsequent to such public debt securities offering;
- (k) alleging, arising out of, based upon or attributable to the purchase by a **Company** of securities of a "**Publicly Traded Entity**" (as defined below) in a transaction which resulted in such entity becoming an **Affiliate** or a **Subsidiary** of a **Company** (herein, a "**Public Company Acquisition**"); *provided, however*, this exclusion shall not apply:
 - (i) to any **Public Company Acquisition** in which:
 - (1) the **Publicly Traded Entity** has a total asset value of less than 50% of the total assets value of the respective **Named Entity**; and
 - (2) the securities of the **Publicly Traded Entity** are no longer publicly traded after the acquisition; or
 - (ii) to any **Public Company Acquisition** not described in subparagraph (1) above, if within thirty (30) days prior to it becoming an **Affiliate** or **Subsidiary**, the respective **Named Entity** or **Insureds' Representative** gives written notice of the transaction to the **Insurer** together with full particulars and underwriting information required and agrees to any additional premium or amendment of the provisions of this **D&O Coverage Section** required by the **Insurer** relating to the transaction. Further, coverage as shall be afforded to the transaction is conditioned upon the respective **Named Entity** paying when due any additional premium required by the **Insurer** relating to the transaction.

An entity is a **Publicly Traded Entity** if any securities of such entity have previously been subject to a public offering;

- (l) for bodily injury, sickness, disease or death of any person, or damage to, loss of use of or destruction of any tangible property; *provided, however*, this exclusion shall not apply to any **Securities Claim** or **UK Corporate Manslaughter Act Defense Costs**;
- (m) for emotional distress or mental anguish, or for injury from libel or slander, or defamation or disparagement, or for injury from a violation of a person's right of privacy; *provided, however*, this exclusion shall not apply to any **Securities Claim**;
- (n) for: (i) any actual, alleged or threatened discharge, dispersal, release or escape of **Pollutants**; or (ii) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**; *provided, however*, this exclusion shall not apply to:
 - (1) **Non-Indemnifiable Loss**, other than **Non-Indemnifiable Loss** constituting **Cleanup Costs**; or
 - (2) **Loss** in connection with a **Securities Claim**, other than **Loss** constituting **Clean-up Costs**;
- (o) for violation(s) of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar federal, state, local or foreign statutory law or common law;

It is acknowledged that **Claims** for violation(s) of any of the responsibilities, obligations or duties imposed by "similar federal, state, local or foreign statutory law or common law," as such quoted language is used in the immediately-preceding paragraph, including without limitation, any and all **Claims** which in whole or in part allege, arise out of, are based upon, are attributable to, or are in any way related to any of the circumstances described in any of the following:

- (i) the refusal, failure or inability of any **Insured(s)** to pay wages or overtime pay (or amounts representing such wages or overtime pay) for services rendered or time spent in connection with work related activities (as opposed to tort-based back pay or front pay damages for torts other than conversion);
- (ii) improper deductions from pay taken by any **Insured(s)** from any **Employee(s)** or purported **Employee(s)**; or
- (iii) failure to provide or enforce legally required meal or rest break periods;

provided, however, this exclusion shall not apply to:

- (1) any **Securities Claim**;
 - (2) the extent any **Claim** alleges personal liability of an **Executive** in which case, **Defense Costs** shall be available.
- (p) for any **Wrongful Act(s)** of a particular **Named Entity**, or any **Insured** thereof, which occurred prior to the applicable **Prior Acts Date** for such **Named Entity** as set forth in the respective **Program Participants Endorsement**;

Notwithstanding the foregoing, this Exclusion (p) shall not apply to any **Company**, or its respective **Individual Insureds**, formed prior to the **Prior Acts Date** for the purpose of facilitating the acquisition of another **Company**; provided, further, that the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured** alleging any **Wrongful Act** occurring prior to the **Prior Acts Date** if any **Insured** knew that such **Wrongful Act** would lead to a **Claim** under this policy.

- (q) with respect to Coverage B(i) only:
- (i) for any actual or alleged plagiarism, misappropriation, infringement or violation of copyright, patent, trademark, trade secret or any other intellectual property rights; *provided, however*, this exclusion shall not apply to any **Securities Claim**;
 - (ii) alleging, arising out of, based upon, or attributable to any **Employment Practices Violations** and/or any **Third Party Violations** (as such terms are defined in the **EPL Coverage Section**); or
 - (iii) for any actual or alleged contractual liability of the **Company** under any express written contract or agreement; *provided, however*, this exclusion shall not apply to any:
 - (1) **Written Sale Agreement**;
 - (2) **Contract Claim Defense Costs Coverage**;
 - (3) **Securities Claim**; or
 - (4) liability which would have attached in the absence of such express contract or agreement.

For the purpose of determining the applicability of the foregoing Exclusions the facts pertaining to and knowledge possessed by any **Insured** shall not be imputed to any other **Insured**.

Notwithstanding the foregoing, except for paragraph (d) of this Clause 4. **EXCLUSIONS**, this Clause 4. **EXCLUSIONS** shall not apply to any **Pre-Claim Inquiry Costs** in connection with a **Pre-Claim Inquiry**).

This Clause 4. **EXCLUSIONS** shall not be applicable to **Crisis Management Loss**.

5. LIMIT OF LIABILITY

The following provisions shall apply in addition to the provisions of Clause 4. of the **General Terms and Conditions**:

CRISISFUND. INSURANCE

The maximum limit of the **Insurer's** liability for all **Crisis Management Loss** arising from all **Crisis Management Events** occurring during the **Policy Period** or the **Discovery Period** (if applicable), in the aggregate, shall be the amount set forth in Item 3(a) of each **Program Participants Endorsement** as the **Crisis Management Fund**. This **Crisis Management Fund** shall be the maximum limit of the **Insurer** under this **D&O Coverage Section** for **Crisis Management Loss**, regardless of the number of **Crisis Management Events** occurring during the **Policy Period**; *provided, however*, the **Crisis Management Fund** shall be part of and not in addition to the **Designated Policy Aggregate Limit of Liability** stated in Item 2 of each **Program Participants Endorsement** and any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to this **D&O Coverage Section** as set forth in Item 2 of each **Program Participants Endorsement**.

SIDE A EXCESS LIMIT OF LIABILITY

The **Side A Excess Limit of Liability** shall be the amount set forth in Item 3(f) of each **Program Participants Endorsement** and is the aggregate limit of the **Insurer's** liability under this **D&O Coverage Section** excess of:

- (i) any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to this **D&O Coverage Section**; and
- (ii) any coverage for **Loss** (whether or not **Non-Indemnifiable Loss**) under any policy of insurance specifically written as excess over any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to this **D&O Coverage Section**,

for all **Non-Indemnifiable Loss** and all **Loss** incurred by an **Executive** that the **Company** fails or refuses to indemnify or advance to or on behalf of an **Executive** for any reason, including **Financial Insolvency**, under this **D&O Coverage Section** arising out of all **Claims** first made against an **Executive** of a **Company** during the **Policy Period** or the **Discovery Period** (if applicable). The **Side A Excess Limit of Liability** for the **Discovery Period** shall be part of, and not in addition to, the **Side A Excess Limit of Liability** for the **Policy Period**. The **Side A Excess Limit of Liability** shall be in addition to the **Designated Policy Aggregate Limit of Liability** and any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to this **D&O Coverage Section**.

It is agreed that the **Insurer's** liability to pay **Non-Indemnifiable Loss** shall only attach to the **Side A Excess Limit of Liability** after:

- (a) the full amount of any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to this **D&O Coverage Section** has been exhausted due to **Loss** paid by or on behalf of the **Insurer** or by or on behalf of the **Insureds**; and
- (b) any coverage for **Loss** (whether or not **Non-Indemnifiable Loss**) under any policy of insurance specifically written as excess over any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to this **D&O Coverage Section** has been exhausted by reason of loss(es) paid by or on behalf of the **Insurer** or by or on behalf of the **Insureds**.

The **Side A Excess Limit of Liability** shall "drop down" (continue in force as primary insurance) only in the event of (a) and (b) above and shall not drop down for any other reason.

COSTS OF INVESTIGATION FOR DERIVATIVE DEMAND

The maximum limit of the **Insurer's** liability for **Costs of Investigation** arising from all **Company Shareholder Derivative Investigations** occurring during the **Policy Period** or the **Discovery Period** (if applicable), in the aggregate, shall be the amount set forth in Item 3(b) of each **Program Participants Endorsement** (the "**Costs of Investigation Sublimit of Liability**"). The **Costs of Investigation Sublimit of Liability** is the maximum limit of the **Insurer** under this **D&O Coverage Section** for **Costs of Investigation** regardless of the number of such **Company Shareholder Derivative Investigations** occurring during the **Policy Period** or the **Discovery Period** (if applicable), or the number of **Executives** subject to such **Company Shareholder Derivative Investigations**; *provided, however*, that the **Costs of Investigation Sublimit of Liability** shall be part of and not in addition to the **Designated Policy Aggregate Limit of Liability** set forth in Item 2 of each **Program Participants Endorsement** and any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to this **D&O Coverage Section** as set forth in Item 2 of each **Program Participants Endorsement**.

CONTRACT CLAIM DEFENSE COSTS COVERAGE

The maximum limit of the **Insurer's** liability for all **Defense Costs** under this **D&O Coverage Section** arising from any **Contract Claim** shall be the amount set forth in Item 3(e) of each **Program Participants Endorsement** (hereinafter called the "**Contractual Defense Costs Sublimit of Liability**"). This **Contractual Defense Costs Sublimit of Liability** shall be part of and not in addition to the **Designated Policy Aggregate Limit of Liability** set forth in Item of the Declarations and any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to this **D&O Coverage Section** as set forth in Item 3(e) of each **Program Participants Endorsement**.

6. RETENTION CLAUSE

The following provision shall apply in addition to the provisions of Clause 5. **RETENTION CLAUSE** of the **General Terms and Conditions**:

The **Insurer** shall only be liable for the amount of **Loss** arising from a **Claim** which is in excess of the applicable Retention amount stated in Item 6 of the respective **Program Participants Endorsement** for this **D&O Coverage Section**, such Retention amount to be borne by the **Company** and/or the **Insureds**, with regard to:

- (i) all **Indemnifiable Loss**; and
- (ii) **Loss of the Company**.

A single Retention amount shall apply to **Loss** arising from all **Claims** alleging the same **Wrongful Act** or **Related Wrongful Act(s)**.

It is further understood and agreed that in the event the **Company** is unable to pay an applicable Retention amount due to **Financial Insolvency** or, with respect to **Loss** incurred by an **Individual Insured**, fails to indemnify an **Individual Insured** for any reason, then the **Insurer** shall commence advancing **Loss** within the Retention; *provided, however*, the **Insurer** shall be entitled to recover the amount of **Loss** advanced within the Retention from the **Company** pursuant to Clause 10. **SUBROGATION** of the **General Terms and Conditions**.

Advancement, payment or indemnification of an **Individual Insured** by an **Organization** is deemed failed if it has been requested by an **Individual Insured** in writing and has not been provided by, agreed to be provided by or acknowledged as an obligation by an **Organization** within 60 days of such request.

No Retention amount is applicable to **Crisis Management Loss** or **Non-Indemnifiable Loss**.

7. DEFENSE COSTS, SETTLEMENTS, JUDGMENTS (INCLUDING THE ADVANCEMENT OF DEFENSE COSTS)

The **Insurer** does not assume any duty to defend. The **Insureds** shall defend and contest any **Claim** made against them.

The **Insurer** shall advance **Defense Costs** on a current basis and, in any event, no later than sixty (60) days after receipt of invoices of such **Defense Costs**. Such advanced payments by the **Insurer** shall be repaid to the **Insurer** by each and every **Insured** or the **Company**, severally according to their respective interests, in the event and to the extent that any such **Insured** or the **Company** shall not be entitled under the terms and conditions of this **D&O Coverage Section** to payment of such **Loss**.

No **Insured** may incur any **Defense Costs** in excess of the Retention, or admit any liability for, or settle any **Claim** in excess of the Retention, without the **Insurer's** consent, such consent not to be unreasonably withheld. The **Insurer** shall have the right to fully and effectively associate with each and every **Insured** in the defense of any **Claim** that appears reasonably likely to involve the **Insurer**, including, but not limited to, negotiating a settlement. Each and every **Insured** agrees to provide such information as the **Insurer** may reasonably require and to give the **Insurer** full cooperation.

Additionally, the **Insured** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** in excess of the Retention without the prior written consent of the **Insurer**. If the **Insured** admits or assumes any liability in connection with any **Claim** without the consent of the **Insurer**, then the **Insurer** shall not have any obligation to pay **Loss** with respect to such **Claim**. Only those settlements, stipulated judgments and **Defense Costs** which have been consented to by the **Insurer** shall be recoverable as **Loss** under the terms of this **D&O Coverage Section**. The **Insurer** shall not unreasonably withhold any consent required under this **D&O Coverage Section**, provided that the **Insurer** shall be entitled to effectively associate in the defense and the negotiation of any settlement of any **Claim** in excess of the Retention, and provided further that in all events the **Insurer** may withhold consent to any settlement, stipulated judgment or **Defense Costs** in excess of the Retention, or any portion thereof, to the extent such **Loss** is not covered under the terms of this **D&O Coverage Section**. In addition, the **Insured** shall not take any action, without the **Insurer's** written consent, which prejudices the **Insurer's** rights under this **D&O Coverage Section**.

This Clause 7 shall not be applicable to **Crisis Management Loss**.

The failure of any **Individual Insured** to give the **Insurer** cooperation and information as required above shall not impair the rights of any other **Individual Insured** under this policy.

8. COSTS OF INVESTIGATION FOR DERIVATIVE DEMAND COVERAGE PROVISION

It is understood and agreed that the **Company** shall be entitled to payment under Coverage D of this **D&O Coverage Section** for reimbursement of its covered **Costs of Investigation** ninety (90) days after:

- (i) the **Company** has made its final decision not to bring a civil proceeding in a court of law against any of its **Executives**; and
- (ii) such decision has been communicated to the shareholders or creditors who made the **Derivative Demand** upon the **Company**. However, such payment shall be subject to an undertaking by the **Company**, in a form acceptable to the **Insurer**, that the **Company** shall return to the **Insurer** such payment in the event any **Company** or any shareholder of the **Company** brings a **Claim** alleging, arising out of, based upon or attributable to any **Wrongful Acts** which were the subject of the **Derivative Demand**.

9. PRE-AUTHORIZED DEFENSE ATTORNEYS FOR SECURITIES CLAIMS

This Clause 9 applies only to **Securities Claims**.

Affixed as Appendix A hereto and made a part of this **D&O Coverage Section** is a list of Panel Counsel law firms ("**Panel Counsel Firms**") from which a selection of legal counsel shall be made to conduct the defense of any **Securities Claim** against an **Insured** pursuant to the terms set forth in this Clause.

The selection of the **Panel Counsel Firm** shall be from the list of **Panel Counsel Firms** designated for the type of **Claim** and be either:

- (i) from the jurisdiction in which the **Securities Claim** is brought; or
- (ii) from the state indicated in Item 1 of the **Program Participants Endorsement** as the mailing address for the particular **Named Entity**.

In the event a **Securities Claim** is brought in a jurisdiction not included on the appropriate list, the selection shall be made from a listed jurisdiction which is the nearest geographic jurisdiction to either where the **Securities Claim** is maintained or where the corporate headquarters or state of formation of the particular **Named Entity** is located. In such instance, however, the **Insurer** may, if at the written request of the particular **Named Entity** or the **Insureds' Representative**, assign a non-Panel Counsel Firm of the **Insurer's** choice in the jurisdiction in which the **Securities Claim** is brought to function as "local counsel" on the **Securities Claim** to assist the **Panel Counsel Firm** which will function as "lead counsel" in conducting the defense of the **Securities Claim**.

With the express prior written consent of the **Insurer**, an **Insured** may select a **Panel Counsel Firm** different from that selected by other **Insured** defendants if such selection is required due to an actual conflict of interest or is otherwise reasonably justifiable.

The list of **Panel Counsel Firms** may be amended from time to time by the **Insurer**. However, no change shall be made during the **Policy Period** to the **Panel Counsel Firms** listed in Appendix A without the consent of the **Insureds' Representative**.

Note that this Clause 9. PRE-AUTHORIZED DEFENSE ATTORNEYS FOR SECURITIES CLAIMS does not apply to **Defense Costs** solely relating to **Extradition** even if the underlying **Wrongful Acts** relate to a **Securities Claim**.

10. ORDER OF PAYMENTS

In the event of **Loss** arising from a **Claim** for which payment is due under the provisions of this **D&O Coverage Section**, the **Insurer** shall at the written request of the particular **Named Entity**:

- (a) first pay such **Loss** for which coverage is provided under Coverage A of this **D&O Coverage Section**, then with respect to whatever remaining amount of the applicable **Separate Limit of Liability** or **Shared Limit of Liability** is available after payment of such **Loss**,
- (b) then, only after payment of **Loss** has been made pursuant to Clause 10(a) above, pay such other **Loss** for which coverage is provided under Coverage B(ii) of this **D&O Coverage Section**, and
- (c) then, only after payment of **Loss** has been made pursuant to Clause 10(a) and Clause 10(b) above, pay such **Loss** for which coverage is provided under Coverage B(i), C or D of this **D&O Coverage Section**..

The **Financial Insolvency** of any **Company** or any **Individual Insured** shall not relieve the **Insurer** of any of its obligations to prioritize payment of covered **Loss** under this **D&O Coverage Section** pursuant to this Clause 10.

In addition, if a bankruptcy, liquidation, administration, receivership, rehabilitation or reorganization proceeding is commenced by a **Company** (whether voluntarily or involuntarily) under Title 11 of the United States Code (as amended), state or federal receivership, administration or liquidation statute or law, or under any other federal, state, local or foreign law related to insolvency (collectively, "Insolvency Law") then, in regard to a covered **Claim** under this Policy, the Insureds hereby: (a) waive and release any automatic stay or injunction to the extent it may apply in such proceeding to the proceeds of this Policy under such Insolvency Law and (b) agree not to oppose or object to any efforts by the **Insurer** or any **Insured** to obtain relief from any stay or injunction to the extent applicable to the proceeds of this Policy as a result of the commencement of such proceeding.

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**Employment Practices Liability Insurance
("EPL COVERAGE SECTION")**

Notice: Pursuant to Clause 1 of the General Terms and Conditions, the General Terms and Conditions are incorporated by reference into, made a part of, and are expressly applicable to this EPL Coverage Section, unless otherwise explicitly stated to the contrary in either the General Terms and Conditions or in this EPL Coverage Section. This is a Claims Made Coverage Section with Defense Costs included in the Designated Separate Limit of Liability or Designated Shared Limit of Liability.

In consideration of the payment of the premium, and in reliance upon the statements made to the Insurer by **Application**, which forms a part of this policy, the Insurer agrees as follows:

1. INSURING AGREEMENTS

With respect to the Insuring Agreement and the Defense Provisions of this Clause 1, solely with respect to **Claims** first made during the **Policy Period** or the **Discovery Period** (if applicable) and reported to the **Insurer** pursuant to the terms of this policy, and subject to the other terms, conditions and limitations of this policy, this **EPL Coverage Section** affords the following coverage:

This **EPL Coverage Section** shall pay the **Loss** of an **Insured** arising from a **Claim** first made against such **Insured** for any **Wrongful Act**. Payment of **Defense** shall be made in accordance with and subject to Clause 5 of this **EPL Coverage Section**.

This **EPL Coverage Section** shall also pay the **Loss** of a **Company** arising from any **Claim** made against such **Company** for its actual or alleged liability for any **Wrongful Internet Activity** of an **Employee**.

DEFENSE PROVISIONS

The Insurer does not assume any duty to defend. The Insurer shall advance **Defense Costs** of such **Claim**, excess of the applicable Retention amount, on a current basis and, in any event, no later than sixty (60) days after the receipt of invoices of such **Defense Costs**. Selection of counsel to defend a **Designated Employment Practices Claim** shall be made in accordance with Clause 6 of this **EPL Coverage Section**.

2. DEFINITIONS

(a) **"Designated Employment Practices Claim"** means a **Claim**:

- (i) alleging discrimination or **Retaliation**; or
- (ii) that is certified as, or which is seeking certification as, a class action.

(b) **"Employment Practices Violation"** means any actual or alleged:

- (i) wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of an implied contract;
- (ii) harassment (including, but not limited to, sexual harassment whether "quid pro quo", hostile work environment or other harassment in the workplace, including "same-sex" sexual harassment);
- (iii) discrimination (including, but not limited to, discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, genetic information, pregnancy, military status or disability);

- (iv) **Retaliation** (including, but not limited to, lockouts);
- (v) employment-related misrepresentation(s) to an **Employee** of the **Company** or applicant for employment with the **Company** or an **Outside Entity**;
- (vi) employment-related libel, slander, humiliation, defamation or invasion of privacy;
- (vii) wrongful failure to employ or promote;
- (viii) wrongful deprivation of career opportunity with the **Company**, wrongful demotion or negligent **Employee** evaluation, including, but not limited to, the giving of negative or defamatory statements in connection with an employee reference;
- (ix) wrongful discipline;
- (x) failure to grant tenure;
- (xi) false arrest or false imprisonment; or
- (xii) with respect to any of the foregoing items (i) through (xi) of this definition: negligent hiring, retention, training or supervision, infliction of emotional distress or mental anguish, failure to provide or enforce adequate or consistent corporate policies and procedures, or violation of an individual's civil rights;

but only if the **Employment Practices Violation** relates to an **Employee** of a **Company** or an **Outside Entity**, or applicants for employment with a **Company** or an **Outside Entity**, whether committed directly, indirectly, intentionally or unintentionally.

(c) **"Individual Insured"** means any:

- (i) **Executive** of a **Company**;
- (ii) **Employee** of a **Company**; or
- (iii) **Outside Entity Executive**.

(d) **"Insured"** means:

- (i) an **Individual Insureds**; or
- (ii) a **Company**.

"Company", as defined in **General Terms and Conditions** Definition (f), shall be deemed to include the **Insureds' Representative**.

Coverage as is afforded under the **EPL Coverage Section** with respect to a **Claim** made against the **Insureds' Representative** or any **Individual Insured** thereof shall only apply if: (1) such **Claim** arises out of a covered **Claim** for a **Wrongful Act** actually or allegedly committed by an **Insured** (other than the **Insureds' Representative** or an **Individual Insured** thereof); and (2) an **Insured** (other than the **Insureds' Representative** or an **Individual Insured** thereof) is and remains a defendant in the action along with such **Insureds' Representative** or any **Individual Insured** thereof.

In all events coverage as is afforded under this **EPL Coverage Section** with respect to a **Claim** made against the **Insureds' Representative** or any **Individual Insured** thereof shall only apply to **Wrongful Acts** committed or allegedly committed after the time that such **Insureds' Representative** became an **Insureds' Representative** and prior to the time such **Insureds' Representative** ceases to be an **Insureds' Representative**.

An entity ceases to be a **Insureds' Representative** when it ceases to have **Management Control** of the **Named Entity**, either directly, or indirectly through one or more of its subsidiaries.

- (e) **"Loss"** means damages (including back pay and front pay), judgments, settlements, pre- and post-judgment interest and **Defense Costs**; *provided, however, Loss* shall not include:
- (i) civil or criminal fines or penalties imposed by law;
 - (ii) taxes;
 - (iii) any amounts for which an **Insured** is not financially liable or which are without legal recourse to an **Insured**;
 - (iv) employment-related benefits, stock options, perquisites, deferred compensation or any other type of compensation other than salary, wages or bonus compensation;
 - (v) any liability or costs incurred by any **Insured** to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person, or any liability or costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar;
 - (vi) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed.

Defense Costs shall be provided for items specifically excluded from **Loss** pursuant to subparagraphs (e)(i) through (e)(vi) above of this Definition, subject to the other terms, conditions and exclusions of this policy.

Loss shall specifically include, subject to the other terms, conditions and exclusions of this **EPL Coverage Section**, including, but not limited to, Exclusion 3(a) of this **EPL Coverage Section**, punitive, exemplary and multiple damages (including the multiple or liquidated damages awards under the Age Discrimination in Employment Act and the Equal Pay Act). The enforceability of the first sentence of this paragraph shall be governed by such applicable law which most favors coverage for punitive, exemplary and multiple damages.

Loss shall also include any reasonable fees and expenses of any attorney representing any party who has brought a **Claim** against any **Insured** where such fees and expenses are awarded pursuant to a covered judgment against an **Insured** or a covered settlement (consented to by the Insurer, which consent shall not be unreasonably withheld or denied) to which an **Insured** is a party.

- (f) **"Retaliation"** means a retaliatory act of an **Insured** alleged to be in response to any of the following activities:
 - (i) the disclosure or threat of disclosure by an **Employee** of the **Company** or an **Outside Entity** to a superior or to any governmental agency of any act by an **Insured** which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder;
 - (ii) the actual or attempted exercise by an **Employee** of the **Company** or an **Outside Entity** of any right that such **Employee** has under law, including rights under worker's compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to employee rights;
 - (iii) the filing of any claim under the Federal False Claims Act or any other federal, state, local or foreign "whistle-blower" law; or
 - (iv) strikes of an **Employee** of the **Company** or an **Outside Entity**.
- (g) **"Third Party Violation"** means any actual or alleged harassment or unlawful discrimination, as described in subparagraphs 2(b)(ii) and 2(b)(iii) of the definition of **Employment Practices Violation**, or the violation of the civil rights of a person relating to such harassment or discrimination, when such acts are alleged to be committed against anyone other than an **Individual Insured** or applicant for employment with the **Company** or an **Outside Entity**, including, but not limited to, students, patients, members, customers, vendors and suppliers.
- (h) **"Wrongful Act"** means any actual or alleged:
 - (i) **Employment Practices Violation**, or
 - (ii) **Third Party Violation**.
 - (iii) **Wrongful Internet Activity**
- (i) **"Wrongful Internet Activity"** means any actual or alleged:
 - (i) **Employment Practices Violation** alleged by an **Employee**; or
 - (ii) **Third Party Violation**,

when committed by an **Employee** by means of the internet, including, but not limited to, social networking activities, regardless of whether such internet activity is during or after work hours or on or off the work premises. For purposes of the application of this definition, an individual shall be deemed to be an **Employee** regardless of whether such individual was acting in his or her capacity as an **Employee**.

3. EXCLUSIONS

Solely with respect to this **EPL Coverage Section**, the **Insurer** shall not be liable to make any payment for that portion of the **Loss** in connection with any **Claim** made against an **Insured**:

- (a) alleging, arising out of, based upon or attributable to the facts alleged, or to the same or **Related Wrongful Acts** alleged or contained in any claim which has been reported, or in any circumstances of which notice has been given, under any policy of which this **EPL Coverage Section** is a renewal or replacement of in whole or in part or which it may succeed in time; *provided, however*, that this EXCLUSION (a) shall not apply if a notice of circumstance was rejected for lack of specificity under such prior policy;
- (b) alleging, arising out of, based upon or attributable to, as of the **Continuity Date**, any pending or prior:
 - (i) litigation against an **Insured**; or
 - (ii) **EEOC** (or similar state, local or foreign agency) proceeding or investigation of an **Insured**,

of which the General Counsel (or equivalent position if none) of the **Company** had written notice, or alleging any **Wrongful Act** which is the same or **Related Wrongful Act** to that alleged in such pending or prior litigation or EEOC (or similar state, local or foreign agency) proceeding or investigation;

- (c) with respect to an **Outside Entity Executive**, for any **Wrongful Act** occurring prior to the **Continuity Date** if the **Insured**, as of such **Continuity Date**, knew or could have reasonably foreseen that such **Wrongful Act** could lead to a **Claim** under this **EPL Coverage Section**;
- (d) alleging, arising out of, based upon or attributable to any actual or alleged act or omission of an **Individual Insured** serving in any capacity, other than as an **Executive** or **Employee** of a **Company**, or as an **Outside Entity Executive** of an **Outside Entity**;
- (e) for bodily injury (not including emotional distress or mental anguish), sickness, disease, or death of any person, or damage to, loss of use of or destruction of any tangible property;
- (f) for violation(s) of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar federal, state, local or foreign statutory law or common law;

It is acknowledged that **Claims** for violations of any of the responsibilities, obligations or duties imposed by "similar federal, state, local or foreign statutory law or common law," as such quoted language is used in the immediately-preceding paragraph, include, without limitation, any and all **Claims** which in whole or in part allege, arise out of, are based upon, are attributable to, or are in any way related to any of the circumstances described in any of the following:

- (i) the refusal, failure or inability of any **Insured(s)** to pay wages or overtime pay (or amounts representing such wages or overtime pay) for services rendered or time spent in connection with work related activities (as opposed to tort-based back pay or front pay damages for torts other than conversion);
- (ii) improper deductions from pay taken by any **Insured(s)** from any **Employee(s)** or purported **Employee(s)**; or
- (iii) failure to provide or enforce legally required meal or rest break periods;

provided, however, this exclusion (f) shall not apply to the extent that a **Claim** is for **Retaliation**;

- (g) alleging, arising out of, based upon or attributable to any obligation pursuant to any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law; *provided, however,* this exclusion shall not apply to the extent that a **Claim** is for **Retaliation**;
- (h) alleging, arising out of, based upon or attributable to any actual or alleged contractual liability of any **Insured** under any express contract or agreement; *provided, however,* this exclusion shall not apply to:
 - (i) liability which would have attached in the absence of such express contract or agreement; or
 - (ii) **Defense Costs**;
- (i) alleging, arising out of, based upon or attributable to any **Claim** brought by a securities holder of a **Company**, an **Outside Entity** or an affiliate of a respective **Named Entity** in their capacity as such in the form of a shareholder class, direct or derivative action on behalf of such **Company**, **Outside Entity** or affiliate;
- (j) for any **Wrongful Act(s)** of a particular **Named Entity**, or any **Insured** thereof, which occurred prior to the applicable **Prior Acts Date** for such **Named Entity** as set forth in the respective **Program Participants Endorsement**.

Notwithstanding the foregoing, this Exclusion (j) shall not apply to any **Company**, or its respective **Individual Insureds**, formed prior to the **Prior Acts Date** for the purpose of facilitating the acquisition of another **Company**; provided, further, that the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured** alleging any **Wrongful Act** occurring prior to the **Prior Acts Date** if any **Insured** knew that such **Wrongful Act** would lead to a **Claim** under this policy.

For the purpose of determining the applicability of the foregoing Exclusions, other than exclusions 3(b) and 3(c), the facts pertaining to and knowledge possessed by any **Insured** shall not be imputed to any other **Insured**.

4. RETENTION CLAUSE

The following provision shall apply in addition to the provisions of Clause 5. RETENTION CLAUSE of the **General Terms and Conditions**:

The **Insurer** shall only be liable for the amount of **Loss** arising from a **Claim** which is in excess of the applicable Retention amount stated in Item 6 of the respective **Program Participants Endorsement** for this **EPL Coverage Section**, such Retention amount to be borne by the **Company** or the **Insureds** and shall remain uninsured, with regard to all:

- (a) **Indemnifiable Loss**; or
- (b) **Loss of the Company**.

A single Retention amount shall apply to **Loss** arising from all **Claims** alleging the same **Wrongful Act** or **Related Wrongful Acts**.

It is further understood and agreed that in the event the **Company** does not in fact pay an applicable Retention amount due to any reason, then the **Insurer** shall commence advancing **Defense Costs** and pay any other covered **Loss** within the Retention; *provided, however*, except in the event of **Financial Insolvency**, the **Insurer** shall be entitled to recover the amount of **Defense Costs** and any other **Loss** advanced within the Retention from the **Company** pursuant to Clause 10. SUBROGATION of the **General Terms and Conditions**.

5. DEFENSE COSTS, SETTLEMENTS, JUDGMENTS (INCLUDING THE ADVANCEMENT OF DEFENSE COSTS)

The **Insurer** does not assume any duty to defend. The **Insureds** shall defend and contest any **Claim** made against them.

The **Insurer** shall advance **Defense Costs** on a current basis and, in any event, no later than sixty (60) days after receipt of invoices of such **Defense Costs**. Such advanced payments by the **Insurer** shall be repaid to the **Insurer** by the **Insureds** or the **Company**, severally according to their respective interests, in the event and to the extent that the **Insureds** or the **Company** shall not be entitled under the terms and conditions of this **EPL Coverage Section** to payment of such **Loss**.

The **Insureds** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** in excess of the Retention without the prior written consent of the **Insurer**. Only those settlements, stipulated judgments and **Defense Costs** in excess of the Retention which have been consented to by the **Insurer**, in writing, shall be recoverable as **Loss** under the terms of this **EPL Coverage Section**. The **Insurer's** consent shall not be unreasonably withheld, provided that the **Insurer** shall be entitled to fully and effectively associate in the defense and negotiation of any settlement of any **Claim** in excess of the Retention, and provided further that in all events the **Insurer** may withhold consent to any settlement, stipulated judgment or **Defense Costs** in excess of the Retention, or any portion thereof, to the extent such **Loss** is not covered under the terms of this **EPL Coverage Section**.

The **Insurer** shall have the right to effectively associate with the **Company** in the defense of any **Claim** that appears reasonably likely to involve the **Insurer**, including, but not limited to, negotiating a settlement. The **Company** and the **Insureds** shall give the **Insurer** full cooperation and such information as the **Insurer** may reasonably require.

The failure of any **Individual Insured** to give the **Insurer** cooperation and information as required above shall not impair the rights of any other **Individual Insured** under this policy.

6. PRE-AUTHORIZED DEFENSE ATTORNEYS FOR DESIGNATED EMPLOYMENT PRACTICES CLAIMS

This Clause 6 applies only to **Designated Employment Practices Claims**.

Affixed as Appendix B hereto and made a part of this **EPL Coverage Section** is a list of Panel Counsel law firms ("**Panel Counsel Firms**") from which a selection of legal counsel shall be made to conduct the defense of any **Designated Employment Practices Claim** against an **Insured** pursuant to the terms set forth in this Clause.

The selection of the **Panel Counsel Firm** shall be from the list of **Panel Counsel Firms** designated for the type of **Claim** and be either:

- (a) from the jurisdiction in which the **Designated Employment Practices Claim** is brought; or
- (b) from the state indicated in Item 1 of the **Program Participants Endorsement** as the mailing address for the respective **Named Entity**.

In the event a **Designated Employment Practices Claim** is brought in a jurisdiction not included on the appropriate list, the selection shall be made from a listed jurisdiction which is the nearest geographic jurisdiction to either where the **Designated Employment Practices Claim** is maintained or where the corporate headquarters or state of formation of the respective **Named Entity** is located. In such instance, however, the **Insurer** may, if at the written request of the respective **Named Entity** or the **Insureds' Representative**, assign a non- **Panel Counsel Firm** of the **Insurer's** choice in the jurisdiction in which the **Designated Employment Practices Claim** is brought to function as "local counsel" on the **Designated Employment Practices Claim** to assist the **Panel Counsel Firm** which will function as "lead counsel" in conducting the defense of the **Designated Employment Practices Claim**.

With the express prior written consent of the **Insurer**, an **Insured** may select a **Panel Counsel Firm** different from that selected by other **Insured** defendants if such selection is required due to an actual conflict of interest or is otherwise reasonably justifiable.

The list of **Panel Counsel Firms** may be amended from time to time by the **Insurer**. However, no change shall be made during the **Policy Period** to the **Panel Counsel Firms** listed in Appendix B without the consent of the **Insureds' Representative**.

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**Fiduciary Liability Insurance
("FLI COVERAGE SECTION")**

Notice: Pursuant to Clause 1 of the General Terms and Conditions, the General Terms and Conditions are incorporated by reference into, made a part of, and are expressly applicable to this FLI Coverage Section, unless otherwise explicitly stated to the contrary in either the General Terms and Conditions or in this FLI Coverage Section. This is a Claims Made Coverage Section with Defense Costs included in the Designated Separate Limit of Liability or Designated Shared Limit of Liability.

In consideration of the payment of the premium, and in reliance upon the statements made to the Insurer by Application, which forms a part of this policy, the Insurer agrees as follows:

1. INSURING AGREEMENTS

Coverage for Loss under this policy is provided solely with respect to: (i) Claims first made against an Insured; (ii) Voluntary Compliance Losses first ascertained by or assessed against an Insured; and (iii) Pension Crises first occurring, in each such event, during the Policy Period or any applicable Discovery Period and reported to the Insurer as required by this policy. Claims that are fact-finding investigations which do not allege a Wrongful Act and Claims that are Internal Appeals shall each be deemed first made when they are reported. Subject to the foregoing and the other terms, conditions, and limitations of this policy, this policy affords the following coverage:

A. Individual Insured Coverage

This policy shall pay the Loss of any Individual Insured that no Company or Plan has indemnified or paid that arises from any Claim:

- (1) made against such Individual Insured for any Wrongful Act of such Individual Insured; or
- (2) that is a fact-finding investigation which does not allege in writing a Wrongful Act or that is an Internal Appeal, if an Insured elects to give notice.

B. Individual Insured Indemnification Coverage

This policy shall pay the Loss of a Company or Plan that arises from any Claim:

- (1) made against any Individual Insured for any Wrongful Act of such Individual Insured; or
- (2) that is a fact-finding investigation which does not allege in writing a Wrongful Act or that is an Internal Appeal, if an Insured elects to give notice;

but only to the extent that such Company or Plan has indemnified such Loss of, or paid such Loss on behalf of, the Individual Insured.

C. Company And Plan Coverage

This policy shall pay the Loss of any Company or Plan arising from any Claim:

- (1) made against such Company or Plan for any Wrongful Act of such Company or Plan (or of any employee for whom such Company is legally responsible); or

- (2) that is a fact-finding investigation which does not allege in writing a **Wrongful Act** or that is an **Internal Appeal**, if an **Insured** elects to give notice.

D. Voluntary Compliance Loss Coverage

This policy shall pay any **Voluntary Compliance Loss** first ascertained by or assessed against an **Insured**, subject to the aggregate sublimit of liability set forth on the Declarations.

The payment of any **Voluntary Compliance Loss** under this policy shall not waive any of the Insurer's rights under this policy or at law, including in the event that circumstances giving rise to such **Voluntary Compliance Loss** result in a **Claim**.

E. Pension CrisisFund Coverage

This policy shall pay the **Pension Crisis Loss** of a **Company** up to the **Insured's** aggregate sublimit of liability for all **Pension Crisis Loss** under the **Pension CrisisFund** set forth in the Declarations (as amended by this endorsement).

The payment of any **Pension Crisis Loss** under this policy shall not waive any of the Insurer's rights under this policy or at law, including in the event that circumstances giving rise to such **Pension Crisis Loss** result in a **Claim**.

2. DEFENSE AGREEMENT

The **Insurer** does not assume any duty to defend a **Claim**. The **Insurer** shall advance **Defense Costs** on a current basis and, in any event, no later than sixty (60) days after the receipt of invoices of such **Defense Costs**, subject to the other provisions of this **FLI Coverage Section**. Such advance payments by the **Insurer** shall be repaid to the **Insurer** by the **Insureds**, severally according to their respective interests, in the event and to the extent that the **Insureds** shall not be entitled to payment of such **Loss** under the terms and conditions of this **FLI Coverage Section**.

Selection of counsel to defend a **Claim** shall be made in accordance with Clause 8 of this **FLI Coverage Section** (if applicable).

The **Insureds** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** without the prior written consent of the **Insurer**. Only those settlements, stipulated judgments and **Defense Costs** which have been consented to in writing by the **Insurer** shall be recoverable as **Loss** under the terms of this **FLI Coverage Section**, such consent not to be unreasonably withheld.

The **Insureds** shall give the **Insurer** full cooperation and such information as the **Insurer** may reasonably require.

Notwithstanding the provisions above, if all **Insured** defendants are able to dispose of all **Claims** which are subject to one Retention (inclusive of **Defense Costs**) for an amount not exceeding the Retention, then the Insurer's consent shall not be required for such disposition.

Notwithstanding the provisions above, the failure of any **Insured** to give the Insurer cooperation and information as it may reasonably require shall not impair the rights of any **Individual Insured** under this policy.

3. DEFINITIONS

- (a) **"Benefits"** means any obligation under a **Plan** to a participant or beneficiary under a **Plan** which is a payment of money or property, or the grant of a privilege, right, option or perquisite.
- (b) **"Breach of Fiduciary Duty"** means a violation of the responsibilities, obligations or duties imposed upon **Insureds** by **ERISA**.
- (c) **"Cafeteria Plan"** means a plan as defined in Section 125 of the Internal Revenue Code of 1986, as amended or a plan from which the participants may choose among two or more benefits consisting of cash and qualified benefits.
- (d) **"CAP Penalties"** means fines, penalties, sanctions, voluntary correction fees, compliance fees or user fees assessed against or collected from an **Insured** by the Internal Revenue Service ("**IRS**") pursuant to a written agreement to correct an inadvertent **Plan** defect under an Employee Plans Compliance Resolution System, provided that such agreement to correct such **Plan** defect was entered into in writing by the **Insured** with the **IRS** during the **Policy Period** (or during the policy period of a policy issued by the **Insurer** of which this **FLI Coverage Section** is a continuous renewal).
- (e) **"Claim,"** solely with respect to this **FLI Coverage Section** shall also mean, (i) any fact-finding investigation, whether or not a **Wrongful Act** is alleged, by the U.S. Department of Labor ("**DOL**") or the Pension Benefit Guaranty Corporation ("**PBGC**") or any similar governmental authority located outside the United States, including, but not limited to the United Kingdom's Pensions Ombudsman or Pensions Regulator; or (ii) any **Internal Appeal**.
- (f) **"Company,"** solely with respect to this **FLI Coverage Section** shall also mean, in any Foreign Jurisdiction, a **Trustee Company**:
- (g) **"Consulting Fees"** means fees charged by a third party actuary, benefits consultant or accountant resulting solely from the correction of an actual or potential **Breach of Fiduciary Duty**, but excluding any fees, costs or expenses associated with:
 - (i) a **Plan** audit; or
 - (ii) identifying, finding or assessing such **Breach of Fiduciary Duty**.
- (h) **"Covered Penalties"** means solely in connection with a **Plan**:
 - (i) the 5% or less civil penalty imposed upon an **Insured** under Section 502(i) of **ERISA**;
 - (ii) the 20% or less civil penalty imposed upon an **Insured** under Section 502(l) of **ERISA**, with respect to a covered settlement or judgment;
 - (iii) the civil fines and penalties assessed against an **Insured** by either the United Kingdom's Pensions Ombudsman or the Pensions Regulator or any successor body thereto;
 - (iv) **Voluntary Compliance Loss** subject to the sublimit of liability set forth in the Limit of Liability Clause of this **FLI Coverage Section**;
 - (v) the civil penalties under Section 502(c) of **ERISA**, other than penalties under the Pension Protection Act, subject to the sublimit of liability set forth in the Limit of Liability Clause of this **FLI Coverage Section** ("**Section 502(c) Penalties**");

- (vi) the civil penalties under the Pension Protection Act of 2006, subject to the sublimit of liability set forth in the Limit of Liability Clause of this **FLI Coverage Section ("Pension Protection Act Penalties")**;
 - (vii) **HIPAA Penalties**, subject to the sublimit of liability set forth in the Limit of Liability Clause of this **FLI Coverage Section**;
 - (viii) The civil penalties imposed under rules and regulations (including interim final rules and regulations) provided by governmental agencies (including the U.S. Department of Health and Human Services, the U.S. Department of the Treasury, the U.S. Internal Revenue Service ("**IRS**"), and the DOL, the Office of Consumer Information and Insurance Oversight, and the Employee Benefits Security Administration), for inadvertent violations by an Insured of **Health Care Reform Law**, subject to the sublimit of liability set forth in the Limit of Liability Clause of this **FLI Coverage Section ("Health Care Reform Penalties")**; and
 - (ix) the 15% or less tax penalty imposed upon an Insured under Section 4975 of the Internal Revenue Code of 1986, with respect to covered judgments, subject to the sublimit of liability set forth in the Limit of Liability Clause of this **FLI Coverage Section ("Section 4975 Penalties")**.
- (i) "**Defense Costs**" means reasonable attorney's fees, costs or expenses consented to in writing by the **Insurer** resulting solely from the correction of an actual or potential **Breach of Fiduciary Duty**, but excluding any fees, costs and expenses associated with finding or assessing such **Breach of Fiduciary Duty** and any compensation of **Individual Insureds**.
 - (j) "**Delinquent Filer Penalties**" means penalties assessed by the "**DOL**" or the **IRS** under a Delinquent Filer Voluntary Compliance Program for inadvertent failure to file Form 5500, provided that the failure to file such Form 5500 occurred during the **Policy Period** (or during the policy period of a policy issued by the **Insurer** of which this **FLI Coverage Section** is a continuous renewal).
 - (k) "**Dependent Care Assistance Program**" means a dependent care assistance program as defined in Section 129 of the Internal Revenue Code of 1986, as amended.
 - (l) "**Employee Benefit Law**" means **ERISA** or any similar common or statutory law of the United States of America, Canada or any state or other jurisdiction anywhere in the world to which a **Plan** is subject. Solely with respect to subparagraph 3(cc)(ii) of the Definition of **Wrongful Act** in this **FLI Coverage Section**, **Employee Benefit Law** shall also include **HIPAA Privacy Regulations** and any laws concerning unemployment insurance, Social Security, government-mandated disability benefits or similar law. Except as provided in the previous sentence, **Employee Benefit Law** shall not include any law concerning workers' compensation, unemployment insurance, Social Security, government-mandated disability benefits or similar law.
 - (m) "**ERISA**" means the Employee Retirement Income Security Act of 1974 (including, but not limited to, amendments relating to the Consolidated Omnibus Budget Reconciliation Act of 1985, the Health Insurance Portability and Accountability Act of 1996, the Newborns' and Mothers' Health Protection Act of 1996, the Mental Health Parity Act of 1996, and the Women's Health and Cancer Rights Act of 1998, the Pension Protection Act of 2006 and the **Health Care Reform Law**), including any amendment or revision thereto.

- (n) **"ESOP"** means any employee stock ownership plan as defined in **ERISA**, or any other **Plan** under which investments are made primarily in securities of or issued by: (i) the **Company**; (ii) any acquired **Subsidiary**; or (iii) any parent of any acquired **Subsidiary**, or whose assets at any time within twelve (12) months prior to the inception date of this **FLI Coverage Section** were comprised of ten percent (10%) or more of securities of:
- (1) the **Company**;
 - (2) any acquired **Subsidiary**; or
 - (3) any parent of any acquired **Subsidiary**.
- (o) **"Fiduciary"** means a fiduciary as defined in an **Employee Benefit Law** (if applicable), with respect to a **Plan**, or a person or entity who exercises discretionary control as respects the management of a **Plan** or the disposition of its assets.
- (p) **"Fringe Benefit"** means any plan or benefit described in Section 132 of the Internal Revenue Code of 1986, as amended.
- (q) **"Health Care Reform Law"** means the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.
- (r) **"HIPAA Penalties"** means civil money penalties imposed upon an **Insured** for violation of **HIPAA Privacy Regulations**.
- (s) **"HIPAA Privacy Regulations"** means the privacy provisions of the Health Insurance Portability and Accountability Act of 1996 and any amendments thereto.
- (t) **"Individual Insured"** means any:
- (i) past, present or future natural person director, officer, governor, general partner, management committee member, **Pension Oversight Committee Member**, member of the board of managers or employee of a **Company** or, if applicable, of a **Plan**, and as to all of the above in his or her capacity as a **Fiduciary**, administrator or trustee of a **Plan**; or
 - (ii) past, present or future natural person in a position equivalent to a position listed in subparagraph (i) of this Definition (t) in the event that the **Company** is operating in a **Foreign Jurisdiction**.
- (u) **"Insured"** means:
- (i) any **Individual Insured**;
 - (ii) any **Plan**;
 - (iii) the **Company**;
 - (iv) any **Pension Oversight Committee**;
 - (v) **Trustee Company**; or
 - (vi) any other person or entity in his, her or its capacity as a **Fiduciary**, administrator or trustee of a **Plan** and included in the Definition of **Insured** by specific written endorsement attached to this **FLI Coverage Section**.

- (v) "**Internal Appeal**" means an appeal of an adverse benefits determination by an Insured pursuant to the DOL's claim procedure regulation at 29 C.F.R. Section 2560.503-1(h) or similar claim procedures pursuant to applicable law.
- (w) "**Loss**" means damages, judgments (including pre and post-judgment interest on a covered judgment), settlements, **Defense Costs**, **Voluntary Compliance Loss**, **Pension Crisis Loss** and **Covered Penalties**; *provided, however, Loss shall not include:*
 - (i) civil or criminal fines or penalties imposed by law (other than **Covered Penalties**);
 - (ii) taxes or tax penalties;
 - (iii) Cleanup costs relating to hazardous materials, pollution or product defects;
 - (iv) Wages, tips and commissions;
 - (v) any amount for which an **Insured** is not financially liable or which is without legal recourse to the **Insured**;
 - (vi) **Benefits**, or that portion of any settlement or award in an amount equal to such **Benefits**, unless and to the extent that recovery of such **Benefits** is based upon a covered **Wrongful Act** and is payable as a personal obligation of an **Individual Insured**; provided however, that **Loss** shall include a monetary award in, or fund for settling, a **Claim** against any **Insured** to the extent it alleges a loss to a **Plan** or loss in the actual accounts of participants in a **Plan** by reason of a change in value of the investments held by that **Plan**, including, but not limited to, the securities of the particular **Named Entity**, regardless of whether the amounts sought in such **Claim** have been characterized by plaintiffs as "benefits" or held by a court to be "benefits"; or
 - (vii) amounts which may be deemed uninsurable under the law pursuant to which this policy shall be construed.

Defense Costs shall be provided for items specifically excluded from **Loss** pursuant to subparagraphs (w)(i) through (w)(v) above of this Definition, subject to the other terms, conditions and exclusions of this **FLI Coverage Section**.

Where permitted by law, **Loss** shall specifically include (subject to the policy's other terms, conditions and exclusions, including, but not limited to, exclusions 5(a) and 5(b) of this **FLI Coverage Section**), punitive or exemplary damages or the multiplied portion of multiplied damages imposed upon any **Insured**. The enforceability of this paragraph shall be governed by such applicable law which most favors coverage for punitive, exemplary and multiple damages.

Loss shall include **Voluntary Compliance Loss**.

- (x) "**Managed Care Services**" means the administration or management of a health care, pharmaceutical, vision or dental Plan utilizing cost control mechanisms, including, but not limited to utilization review, case management, disease management, pharmacy management, the use of a preferred provider medical, vision or dental network, or a health maintenance organization.

- (y) **"Non-qualified Plan"** means any of the following plans for a select group of management or highly compensated directors, officers or employees: deferred compensation plan, supplemental executive retirement plan, top-hat plan or excess benefit plan.
- (z) **"Pension Crisis"** has the meaning set forth in the **Pension CrisisFundSM** Appendix attached to this policy.
- (aa) **"Pension CrisisFundSM"** means the aggregate sublimit of liability set forth in the Declarations (as amended by this endorsement) for all **Pension Crisis Loss** in the aggregate for all **Pension Crises** first occurring during the **Policy Period** or any applicable **Discovery Period**.
- (bb) **"Pension Crisis Loss"** has the meaning set forth in the **Pension CrisisFundSM** Appendix attached to this policy.
- (cc) **"Pension Oversight Committee"** means any pension oversight committee duly formed by a **Trustee Company** and duly appointed to act as a trustee of the **Plan** or acting as a constructive trustee of the **Plan**.
- (dd) **"Pension Oversight Committee Member"** means any duly elected or appointed member of a **Pension Oversight Committee**.
- (ee) **"Pension Plan"** means a pension plan as defined in any **Employee Benefit Law**.
- (ff) **"Plan"** means automatically any plan, fund, trust or program (including, but not limited to, any plan, fund, trust or program considered or created by the particular **Named Entity** during the **Policy Period**, any IRA-based Plan, **Welfare Plan**, **Cafeteria Plan**, **Dependent Care Assistance Program**, **Fringe Benefit**, **Non-qualified Plan**, or qualified **Pension Plan**), established anywhere in the world, which was, is or shall be sponsored solely by the **Company**, or sponsored jointly by the **Company** and a labor organization, solely for the benefit of the employees or the directors and officers of the **Company**, subject to the provisions set forth below:
- (i) if such **Plan** is a **Pension Plan**, other than an **ESOP** or **Pension Plan** described in subparagraphs (ff)(iv) below, then the particular **Named Entity** shall provide written notice of such **Plan** to the **Insurer** prior to the inception date of this **FLI Coverage Section**, unless such **Plan** was already covered under a policy issued by the **Insurer** of which this **FLI Coverage Section** is a continuous renewal;
- (ii) if such **Plan** was sold, spun-off or terminated prior to the inception date of this **FLI Coverage Section** the particular **Named Entity** shall have provided written notice of such sale, spin-off or termination to the **Insurer** prior to the inception date of this **FLI Coverage Section** and pay any required premium relating to such **Plan**, unless such sale, spin-off or termination had already been reported to the **Insurer** under a policy issued by the **Insurer** of which this **FLI Coverage Section** is a continuous renewal;
- (iii) if such **Plan** is sold, spun-off or terminated during the **Policy Period**, the particular **Named Entity** shall provide written notice of such sale, spin-off or termination to the **Insurer** prior to the end of the **Policy Period**;
- (iv) if such **Plan** is an **ESOP**, stock option plan or stock based compensation plan, this **FLI Coverage Section** shall only provide coverage for such plan upon written notice of such **Plan** to the **Insurer**, payment of any required premium, and such **Plan** has been added to the Definition of **Plan** by specific written endorsement attached to this policy; or

- (v) if such **Plan** is a **Pension Plan** (other than an **ESOP**) and is acquired during the **Policy Period** as a result of the particular **Named Entity's** acquisition of a **Subsidiary**, then this **FLI Coverage Section** shall apply to such **Plan** (but solely with respect to any **Wrongful Act** occurring after the date of such acquisition). The particular **Named Entity** shall provide the **Insurer** with full particulars of such new **Plan** before the end of the **Policy Period**.

The Definition of **Plan** shall also include: the following government-mandated programs: unemployment insurance, Social Security or disability benefits, but solely with respect to a **Wrongful Act** defined in subparagraph (ii) of the Definition of **Wrongful Act** in this **FLI Coverage Section**; and any other plan, fund or program which is included in the Definition of **Plan** by specific written endorsement attached to this **FLI Coverage Section**.

In no event, however, shall the definition of **Plan** include (i) any plan of an **Affiliated Entity**; or (ii) any multiemployer plan as defined in **Employee Benefit Law**.

- (gg) "**Section 502(c)**" means the civil penalties under Section 502(c) of **ERISA**, other than penalties under the Pension Protection Act.
- (hh) "**Trustee Company**" means a corporate trustee company that is:
 - (i) established by a **Company** formed and operating in a **Foreign Jurisdiction**, or any predecessor of such **Company**, and
 - (ii) duly appointed to act as a trustee of a **Plan** in a **Foreign Jurisdiction** and sponsored solely by such **Company**.
- (ii) "**UK Fines and Penalties**" means civil fines and penalties assessed against an **Insured** by either the Pensions Ombudsman appointed by the Secretary of State for Social Services in the United Kingdom, by the Occupational Pensions Regulatory Authority in the United Kingdom, by the Pensions Regulator in the United Kingdom or any successor body thereto, subject to the other terms, conditions and exclusions of this **FLI Coverage Section**.
- (jj) "**Voluntary Compliance Loss**" means fines, penalties, sanctions, and reasonable fees, costs or expenses related to the assessment of or correction of a **Plan's** non-compliance in accordance with any **Voluntary Compliance Program** and which are incurred during the **Policy Period** (or during the policy period of a policy issued by the Insurer of which this policy is a continuous renewal). **Voluntary Compliance Loss** shall not include any compensation of any **Individual Insureds** or any employee of an **Insured**.
- (kk) "**Voluntary Compliance Program**" means any voluntary compliance resolution program or similar voluntary settlement program administered by the DOL, IRS, PBGC or other similar governmental authority or any similar program administered by any governmental authority located outside the United States of America, to correct any inadvertent non-compliance by a Plan, including, but not limited to:
 - (i) Employee Plans Compliance Resolution System;
 - (ii) Delinquent Filer Voluntary Compliance Program;
 - (iii) Voluntary Fiduciary Correction Program;
 - (iv) Premium Compliance Evaluation Program; and
 - (v) Participant Notice Voluntary Correction Program.

- (ll) **"Voluntary Fiduciary Correction Loss"** means damages, **Defense Costs** and **Consulting Fees** incurred in connection with the **DOL** Voluntary Fiduciary Correction Program as set forth in the Federal Register, resulting from an inadvertent **Breach of Fiduciary Duty** occurring during the **Policy Period** (or during the policy period of a policy issued by the **Insurer** of which this **FLI Coverage Section** is a continuous renewal), provided that such compliance with the **DOL's** Voluntary Fiduciary Correction Program results in the **Insured** obtaining a "No Action" letter from the **DOL**; *provided, however, Voluntary Fiduciary Correction Loss* shall not include:
- (i) civil or criminal fines or penalties imposed by law;
 - (ii) punitive or exemplary damages;
 - (iii) the multiplied portion of multiplied damages;
 - (iv) taxes or tax penalties;
 - (v) any amount for which an **Insured** is not financially liable or which is without legal recourse to the **Insured**;
 - (vi) **Benefits**, or that portion of damages equal to such **Benefits**;
 - (vii) matters of which the **Insured** had knowledge prior to the inception date of this **FLI Coverage Section** or the first policy issued by the **Insurer** to the particular **Named Entity** of which this **FLI Coverage Section** is a continuous renewal; or
 - (viii) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed.
- (mm) **"Welfare Plan"** means a welfare plan as defined in **Employee Benefit Law**.
- (nn) **"Wrongful Act"** means:
- (i) a violation of any of the responsibilities, obligations or duties imposed upon **Fiduciaries** by **Employee Benefit Law** with respect to a **Plan**; including, but not limited to, the improper selection of or inadequate monitoring of third-party service providers; or any matter claimed against an **Insured** solely by reason of his, her or its status as a **Fiduciary**, but only with respect to a **Plan**;
 - (ii) any act, error or omission solely in the performance of one or more of the following administrative duties or activities, but only with respect to a **Plan**:
 - (1) counseling employees, participants and beneficiaries;
 - (2) providing interpretations;
 - (3) handling of records;
 - (4) activities effecting enrollment, termination or cancellation of employees, participants and beneficiaries under the **Plan**;
 - (5) complying with **HIPAA Privacy Regulations**; or

(6) in a settlor capacity;

or any matter claimed against an **Insured** solely by reason of his, her or its status as an administrator, but only with respect to a **Plan**; and

(iii) as respects an **Individual Insured**, any matter claimed against him or her arising out of his or her service as a **Fiduciary** or administrator of any multiemployer plan as defined by **ERISA**, but only if such service is at the specific written request or direction of the **Company** and such multiemployer plan is added by specific written endorsement attached to this **FLI Coverage Section**, identified as a multiemployer plan and any required premium is paid. In no event shall coverage under this **FLI Coverage Section** extend to a **Claim** against a multiemployer plan itself, its contributing employer(s) or any other fiduciaries or administrators of such plan, other than an **Individual Insured**.

4. **WORLDWIDE EXTENSION**

For **Claims** made and maintained in a **Foreign Jurisdiction** for **Wrongful Acts** committed in such **Foreign Jurisdiction**, the **Insurer** shall apply to such **Claims** the provisions of the **Foreign Policy** in the **Foreign Jurisdiction** that are more favorable to such **Insured** in the **Foreign Jurisdiction**; *provided, however*, this paragraph shall apply only to provisions more favorable by virtue of insuring clauses, extensions, definitions, exclusions, pre-authorized securities or other defense counsel, discovery or extended reporting period, notice and authority, dispute resolution process or order of payments provisions, if any, of the **Foreign Policy** when compared to the same or similar clauses of this **FLI Coverage Section**. This paragraph shall not apply to excess provisions or policy provisions that address non-renewal, duty to defend, defense within or without limits, taxes, claims made and reported provisions or any other provision of this policy intended to govern coverage worldwide.

All premiums, limits, retentions, **Loss** and other amounts under this **FLI Coverage Section** are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or other elements of **Loss** are stated or incurred in a currency other than United States of America dollars, payment of covered **Loss** due under this **FLI Coverage Section** (subject to the terms, conditions and limitations of this **FLI Coverage Section**) will be made either in such other currency (at the option of the **Insurer** and if agreeable to the particular **Named Entity**) or, in United States of America dollars, at the rate of exchange published in The Wall Street Journal on the date the **Insurer's** obligation to pay such **Loss** is established (or if not published on such date the next publication date of The Wall Street Journal).

5. **EXCLUSIONS**

Solely with respect to this **FLI Coverage Section**, the **Insurer** shall not be liable to make any payment for **Loss** in connection with that portion of any **Claim** made against an **Insured**:

(a) arising out of, based upon or attributable to the gaining of any personal profit or advantage to which any final non-appealable adjudication adverse to the **Insured** in the underlying action establishes that the **Insured** was not legally entitled; *provided, however*, this exclusion shall not apply to **Defense Costs** incurred prior to such final non-appealable adjudication.

- (b) arising out of, based upon or attributable to the committing of any deliberate criminal or deliberate fraudulent act, or any knowing or willful violation of any statute, rule or law, including, but not limited to **Employee Benefit Law** by the **Insured** if any final non-appealable adjudication adverse to the **Insured** in the underlying action establishes that such criminal or deliberate fraudulent act was committed; *provided, however,* this exclusion shall not apply to **Defense Costs** incurred prior to such final non-appealable adjudication.
- (c) for discrimination in violation of any law; *provided, however,* this exclusion shall not apply to discrimination in violation of **Employee Benefit Law**;
- (d) alleging, arising out of, based upon or attributable to the facts alleged, or to the same or **Related Wrongful Act** alleged or contained, in any **Claim** which has been reported, or in any circumstances of which notice has been given, under any policy of which this **FLI Coverage Section** is a renewal or replacement of in whole or part or which it may succeed in time; *provided, however,* that this EXCLUSION (d) shall not apply if a notice of circumstance was rejected for lack of specificity under such prior policy;
- (e) alleging, arising out of, based upon or attributable to, as of the **Continuity Date**, any pending or prior:
 - (i) litigation against an **Insured**; or
 - (ii) administrative or regulatory proceeding or investigation of an **Insured**, of which an **Insured** had notice, or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;
- (f) for failure to fund a **Plan** in accordance with **Employee Benefit Law** or the **Plan** instrument, or the failure to collect contributions owed to the **Plan**; *provided, however,* this exclusion shall not apply to:
 - (i) **Defense Costs**; or
 - (ii) the portion of **Loss** that is payable as a personal obligation or an **Individual Insured**;
- (g) for bodily injury, sickness, disease, death or emotional distress of any person, or damage to, loss of use of or destruction of any tangible property; *provided, however,* this exclusion shall not apply to (i) **Defense Costs** incurred in the defense of a **Claim** for **Breach of Fiduciary Duty**; or (ii) the coverage afforded under Clause 11(C), Managed Care Coverage.
- (h) alleging, arising out of, based upon or attributable to any **Wrongful Act** as respects the **Plan** taking place at any time when the **Company** did not sponsor such **Plan** or when the **Individual Insured** was not a **Fiduciary**, administrator, trustee, director(s), officer(s) or employee of the **Company** or, if applicable, a **Plan**; or
- (i) for any **Wrongful Act(s)** of a particular **Named Entity**, or any **Insured** thereof, which occurred prior to the applicable **Prior Acts Date** for such **Named Entity** as set forth in the respective **Program Participants Endorsement**.

Notwithstanding the foregoing, this Exclusion (i) shall not apply to any **Company**, or its respective **Individual Insureds**, formed prior to the **Prior Acts Date** for the purpose of facilitating the acquisition of another **Company**; provided, further, that the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured** alleging any **Wrongful Act** occurring prior to the **Prior Acts Date** if any **Insured** knew that such **Wrongful Act** would lead to a **Claim** under this policy.

For the purpose of determining the applicability of the foregoing Exclusions, other than exclusions 5(d) and 5(e) the facts pertaining to and knowledge possessed by any **Insured** shall not be imputed to any other **Insured**.

6. LIMIT OF LIABILITY

The following provision shall apply in addition to the provisions of Clause 4. LIMIT OF LIABILITY of the **General Terms and Conditions**:

VOLUNTARY COMPLIANCE LOSS SUBLIMIT OF LIABILITY

The maximum limit of the **Insurer's** liability for all **Voluntary Compliance Loss** occurring during the **Policy Period** or the **Discovery Period** (if applicable), in the aggregate, shall be the amount set forth in Item 3(c) of each **Program Participants Endorsement** ("**Voluntary Compliance Loss Sublimit of Liability**"). The **Voluntary Compliance Loss Sublimit of Liability** shall be part of, and not in addition to, the **Designated Policy Aggregate Limit of Liability** or any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to this **FLI Coverage Section**, and shall in no way serve to increase the **Insurer's Designated Policy Aggregate Limit of Liability** or any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** as stated therein.

HIPAA PENALTIES SUBLIMIT OF LIABILITY

The maximum limit of the **Insurer's** liability for all **HIPAA Penalties**, in the aggregate, shall be the amount set forth in Item 3(d) of each **Program Participants Endorsement** ("**HIPAA Penalties Sublimit of Liability**"). The **HIPAA Penalties Sublimit of Liability** shall be part of, and not in addition to, the **Designated Policy Aggregate Limit of Liability** and any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to this **FLI Coverage Section**, and shall in no way serve to increase the **Insurer's Designated Policy Aggregate Limit of Liability** or any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** as stated therein.

ADDITIONAL SUBLIMITS OF LIABILITY

Each of the following sublimits of liability is the maximum limit of the **Insurer's** liability per **Program Participants Endorsement** for all **Loss** under this policy that is subject to that sublimit of liability. Each such sublimit of liability shall be part of, and not in addition to, the **Designated Policy Aggregate Limit of Liability** and any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to this **FLI Coverage Section**, as set forth in Item 2 of each **Program Participants Endorsement**, and shall in no way serve to increase the **Insurer's Designated Policy Aggregate Limit of Liability** or any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** as stated therein.

Additional Sublimits of Liability:

<i>Section 502(c) Penalties:</i>	\$250,000 or 5% of the applicable Designated Separate Limit of Liability or Designated Shared Limit of Liability, whichever is less
<i>Pension Protection Act Penalties:</i>	\$250,000 or 5% of the applicable Designated Separate Limit of Liability or Designated Shared Limit of Liability, whichever is less
<i>Health Care Reform Penalties:</i>	\$250,000 or 5% of the applicable Designated Separate Limit of Liability or Designated Shared Limit of Liability, whichever is less
<i>Section 4975 Penalties:</i>	\$250,000
<i>Pension CrisisFundSM :</i>	\$100,000

7. RETENTION CLAUSE

The following provision shall apply in addition to the provisions of Clause 5. RETENTION CLAUSE of the **General Terms and Conditions**:

The **Insurer** shall only be liable for the amount of **Loss** arising from a **Claim** which is in excess of the Retention amount stated in Item 6 of the respective **Program Participants Endorsement**, such Retention amount to be borne by the **Insured** and shall remain uninsured, with regard to:

- (a) all **Indemnifiable Loss**; and
- (b) **Loss of a Company**.

A single Retention amount shall apply to **Loss** arising from all **Claims** alleging the same **Wrongful Act** or related **Wrongful Acts**.

Notwithstanding the foregoing, no Retention is applicable to **Pension Crisis Loss, Voluntary Compliance Loss, Pension Protection Act Penalties, Health Care Reform Penalties, Section 4975 Penalties, HIPAA Penalties** or **Section 502(c) Penalties**.

8. PRE-AUTHORIZED DEFENSE ATTORNEYS

This Clause 8 applies only to:

- (a) a **Claim** brought by any government entity;
- (b) a request for coverage for a **Voluntary Compliance Loss**; or
- (c) a **Claim** brought in the form of a class or representative action or which purports to be brought as a class or representative action.

Affixed as Appendix C hereto and made a part of this **FLI Coverage Section** is a list of Panel Counsel law firms ("**Panel Counsel Firm(s)**") from which a selection of legal counsel shall be made to conduct the defense of any **Claim** against an **Insured** to which this Clause 8 applies and pursuant to the terms set forth in this Clause.

The **Insureds** shall select a **Panel Counsel Firm** to defend the **Insured**. In addition, with the express prior written consent of the **Insurer**, which consent shall not be unreasonably withheld, the **Insured** may select a **Panel Counsel Firm** different from that selected by other **Insureds** if such selection is required due to an actual conflict of interest or is otherwise reasonably justifiable.

The selection of a **Panel Counsel Firm** from the attached list to defend the **Claim** against the **Insureds** shall not be restricted to the jurisdiction in which the **Claim** is brought.

The list of **Panel Counsel Firms** may be amended from time to time by the **Insurer**. However, no change shall be made to the specific list attached to this policy during the **Policy Period** without the consent of the **Insureds' Representative**. At the request of a particular **Named Entity** or the **Insureds' Representative**, the **Insurer** may in its discretion add one or more law firms to the attached list of **Panel Counsel Firms** for the purposes of defending the **Claim** made against the **Insureds**. The list of **Panel Counsel Firms** may also be amended to add, at the sole discretion of the **Insurer**, a non- **Panel Counsel Firm** for the purpose of acting as "local counsel" to assist an existing **Panel Counsel Firm**, which **Panel Counsel Firm** will act as "lead counsel" in conducting the defense of the **Claim**, for **Claims** brought in a jurisdiction in which the chosen **Panel Counsel Firm** does not maintain an office.

9. WAIVER OF RECOURSE

Except for the **Insurer's** subrogation rights set forth in Clause 9 of the **General Terms and Conditions**, the **Insurer** shall have no right of recourse against an **Insured** unless required pursuant to any **Employee Benefit Law**.

It is further provided that in the event of any recovery under this Clause 9, any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to this **FLI Coverage Section** shall be restored to the extent of such recovery after subtracting any costs, expenses or reimbursements incurred by the **Insurer** in connection therewith.

10. ORDER OF PAYMENTS

In the event of **Loss** arising from a covered **Claim** for which payment is due under the provisions of this **FLI Coverage Section**, then the **Insurer** shall in all events:

- (a) first, pay **Loss** for which coverage is provided under this **FLI Coverage Section** for any **Individual Insured**;
- (b) second, only after payment of **Loss** has been made pursuant to Clause 10(a) above with respect to whatever remaining amount of any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to this **FLI Coverage Section** is available after such payment, pay the **Loss** of any covered **Plan**; and
- (c) then, only after payment of **Loss** has been made pursuant to Clause 10(a) and 10(b) above, with respect to whatever remaining amount of any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to this **FLI Coverage Section** is available after such payment, shall payment for the **Company** be made for such other **Loss** for which coverage is provided under this **FLI Coverage Section**.

11. FIDUCIARY EXTENSIONS OF COVERAGE

A. Disproven Allegation Protection

In the event that an allegation which triggers potential coverage under this policy is disproven, so that a **Claim** is outside the scope of coverage under this policy, the Insurer shall not seek recovery of amounts that it has previously paid. Situations that would trigger this protection include, but are not limited to when it is proven that:

- (1) an **Executive** or employee of the **Company** who was alleged to be a **Plan** fiduciary was not in fact a **Plan** fiduciary;
- (2) an **Insured's** alleged breach of fiduciary duty was in fact a settlor act;
- (3) an alleged **Plan** was not a plan or was not a covered **Plan**; or
- (4) a **Company** alleged to be the sponsor of a **Plan** was not in fact the sponsor of such plan.

B. Independent Fiduciary Fees

Loss shall include reasonable and necessary fees and expenses of an independent fiduciary if such fiduciary is retained to review a proposed settlement of a covered **Claim**. **Loss** shall also include reasonable and necessary fees and expenses of any law firm hired by such independent fiduciary to facilitate a review of such proposed settlement.

C. Managed Care Coverage

This policy shall pay the **Loss** of an **Insured** arising from a **Claim** made against such **Insured** alleging improper or negligent selection of a **Managed Care Services** provider or denial or delay of any benefit under a health care, pharmaceutical, vision, or dental **Plan** of an **Insured**.

D. LMRA Coverage

If, and during the time that, coverage is provided under this policy, then this policy shall also pay the **Loss** of an **Insured** arising from an allegation that such **Insured** violated Section 301 of the Labor Management Relations Act ("LMRA") relating to alleged violations of collectively bargained contracts in connection with a **Plan**.

**APPENDIX A
SECURITIES CLAIMS PANEL COUNSEL LIST**

In consideration of the premium charged, it is understood and agreed as follows: The information in our Panel Counsel lists/appendices is accessible through our online Panel Counsel Directory at <http://www.aig.com/us/panelcounseldirectory>. To access the applicable online Panel Counsel Directory, please go to the website and click on the "Directors & Officers (Securities Claims)" link.

References in this policy to list of Panel Counsel law firms or related appendices are deemed amended to refer to the applicable Panel Counsel Directories at the website referenced above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

**APPENDIX B
EMPLOYMENT PRACTICES CLAIM PANEL COUNSEL**

In consideration of the premium charged, it is understood and agreed as follows: The information in our Panel Counsel lists/appendices is accessible through our online Panel Counsel Directory at <http://www.aig.com/us/panelcounseldirectory>. To access the applicable online Panel Counsel Directory, please go to the website, click on the "Public and Private Companies (Employment Practices Liability)" link and then select the applicable Panel Counsel Directory, either the "4- 97 Monoline/Public Companies" link or the "Private Edge" link.

References in this policy to list of Panel Counsel law firms or related appendices are deemed amended to refer to the applicable Panel Counsel Directories at the website referenced above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

**APPENDIX C
EMPLOYEE BENEFIT PLAN FIDUCIARY LIABILITY
PANEL COUNSEL LIST**

In consideration of the premium charged, it is understood and agreed as follows: The information in our Panel Counsel lists/appendices is now accessible through our online Panel Counsel Directory at AIG Panel Counsel Directory <http://www.aig.com/us/panelcounseldirectory>. To access the applicable online Panel Counsel Directory, please go to the website, click on the "Fiduciary Liability (ERISA and Non-ERISA)" link.

References in this policy to list of Panel Counsel law firms or related appendices are deemed amended to refer to the applicable Panel Counsel Directories at the website referenced above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

POLICYHOLDER NOTICE

REGARDING

E- DISCOVERY CONSULTANT SERVICES

You are hereby notified that the Insureds under the attached policy are entitled to retain the services of a pre-approved E-Consultant Firm from the E-DISCOVERY CONSULTING FIRMS listed below at the rates negotiated by the Insurer for any Claim covered under the policy in which E-Discovery is required or becomes necessary.

For the purpose of the E-Discovery Consultant Services discussed in this notice, the following definitions shall apply:

- (a) "E-Consultant Firm" means any E-DISCOVERY CONSULTING FIRMS listed below. Any "E-Consultant Firm" may be hired by an Insured to perform E-Discovery Consultant Services without further approval by the Insurer.
- (b) "E-Discovery" means the development, collection, storage, organization, cataloging, preservation and/or production of electronically stored information.
- (c) "E-Discovery Loss" means the reasonable and necessary consulting fees for the E-Discovery Consultant Services provided solely to the Insured(s) by an E-Consultant Firm.

Provided, however, E-Discovery Loss shall not include any costs of discovery other than E-Discovery Loss.

- (d) "E-Discovery Consultant Services" means solely the following services performed by an E-Consultant Firm:
 - 1. assisting the Insured with managing and minimizing the internal and external costs associated with E-Discovery;
 - 2. assisting the Insured in developing or formulating an E-Discovery strategy which shall include interviewing qualified and cost effective E-Discovery vendors;
 - 3. serving as project manager, advisor and/or consultant to the Insured, defense counsel and the Insurer in executing and monitoring the E-Discovery strategy; and
 - 4. such other services provided by the E-Consultant Firm that the Insured, Insurer and E-Consultant Firm agree are reasonable and necessary given the circumstances of the Securities Claim.

PLEASE NOTE: The Insurer shall only be liable for the amount of E-Discovery Loss arising from a Claim (with the exception of a Securities Claim) under the attached policy that is in excess of the applicable Retention amounts stated in Item 4 of the Declarations. The E-DISCOVERY CONSULTANT SERVICES COVERAGE provided for Securities Claims shall be governed by the terms, conditions and exclusions set forth in the attached policy. In all events, the Insurer shall not waive any of the Insurer's rights under this policy or at law.

E- DISCOVERY CONSULTING FIRMS

The list of approved E-Consultant Firms is accessible through our online directory at <http://www.aig.com/us/panelcounseldirectory>. To access the applicable online E-Consultant Firm Directory, please go to the website and click on the "e-Consultant Panel Members" link.

References in this policy to the list of E-Consultant Firms or related appendices are deemed amended to refer to the applicable online E-Consultant Firm Directory at the website referenced above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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**APPENDIX D
CRISIS MANAGEMENT COVERAGE FOR D&O COVERAGE SECTION**

I. DEFINITIONS

- (a) "**Crisis Management Event**" means one of the following events which, in the good faith opinion of the **Company**, did cause or is reasonably likely to cause a **Material Effect**:
1. Management Crisis:
The death, incapacity or criminal indictment of any **Executive** of the **Company**, or any **Employee** on whom the **Company** maintains key person life insurance.
 2. Employee Layoffs:
The public announcement of layoffs of **Employees** of the Company.
 3. Debt Default:
The public announcement that the **Company** had defaulted or intends to default on its debt.
 4. Bankruptcy:
The public announcement that the **Company** intends to file for bankruptcy protection or that a third party is seeking to file for involuntary bankruptcy on behalf of the **Company**; or the imminence of bankruptcy proceedings, whether voluntary or involuntary.
 5. Mass Tort:
The public announcement or accusation that a **Company** has caused the bodily injury, sickness, disease, death or emotional distress of a group of persons, or damage to or destruction of any tangible group of properties, including the loss of use thereof.
 6. Regulatory Crisis:
The public announcement of the commencement or threat of commencement of litigation or governmental or regulatory proceedings against a **Company**.

The descriptions in the headings of the **Crisis Management Events** are solely for convenience and form no part of the terms and conditions of coverage.

A **Crisis Management Event** shall first commence when the **Company** or any of its **Executives** shall first become aware of the event during the **Policy Period** and shall conclude at the earliest of the time when the **Crisis Management Firm** advises the **Company** that the crisis no longer exists or when the **Crisis Management Fund** has been exhausted.

- (b) "**Crisis Management Firm**" means any public relations firm, crisis management firm or law firm listed below in Section III of this Appendix D. Any "**Crisis Management Firm**" may be hired by the **Company** or its **Executives** or **Employees** to perform **Crisis Management Services** without further approval by the Insurer.
- (c) "**Crisis Management Loss**" means the following amounts incurred during the pendency of or within 90 days prior to and in anticipation of, the **Crisis Management Event**, regardless of whether a **Claim** is ever made against an Insured arising from the **Crisis Management Event** and, in the case where a

Claim is made, regardless of whether the amount is incurred prior to or subsequent to the making of the **Claim**:

- (1) amounts for which the **Company** is legally liable for the reasonable and necessary fees and expenses incurred by a **Crisis Management Firm** in the performance of **Crisis Management Services** for the **Company** arising from a **Crisis Management Event**; and
 - (2) amounts for which the **Company** is legally liable for the reasonable and necessary printing, advertising, mailing of materials, or travel by **Executives, Employees** or agents of the **Company** or the **Crisis Management Firm**, in connection with the **Crisis Management Event**.
- (d) "**Crisis Management Services**" means those services performed by a **Crisis Management Firm** in advising the **Company** or any of its **Executives** or **Employees** on minimizing potential harm to the **Company** arising from the **Crisis Management Event**, including but not limited to maintaining and restoring public confidence in the **Company**.
- (e) "**Material Effect**" means the publication of unfavorable information regarding the **Company** which can reasonably be considered to lessen public confidence in the competence of the **Company**. Such publication must in occur in either:
- (1) a daily newspaper of general circulation in the geographic area of the **Company**, or
 - (2) a radio or television news report on a **Company** received in the geographic area of the **Company**.

II. EXCLUSIONS

The term **Crisis Management Event** shall not include any event relating to:

1. any pending or prior litigation as of the **Continuity Date** for the **D&O Coverage Section** indicated in Item 3 of the Declarations;
2. any **Claim** which has been reported, or any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time;
3. the actual, alleged or threatened discharge, dispersal, release or escape of **Pollutants**, or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**; or
4. the hazardous properties of nuclear materials.

III. PRE-APPROVED CRISIS FIRMS

For all **Crisis Management Events**, **Crisis Management Firm(s)** means any public relations firm listed in (1) - (8) below:

1. Abernathy MacGregor Group, Inc.
501 Madison Avenue
New York, New York 10022
(212) 371- 5999
Contacts: James T. MacGregor (jtm@abmac.com)
Rhoda Barnat (rb@abmac.com)

2. Burson- Marsteller
230 Park Avenue South
New York, New York 10003- 1566
(212) 614- 5236
Contact: Michael Claes (Michael.Claes@bm.com)
3. Kekst and Company
437 Madison Avenue
New York, New York 10022
(212) 521- 4800
Contacts: Jim Fingeroth (Jim- Fingeroth@kekst.com)
Lissa Perlman (Lissa- Perlman@kekst.com)
4. Patton Boggs, LLP
2550 M Street, N.W.
Washington D.C. 20037
(202) 457- 6040
Contact: Thomas Boggs, Esq. (tboggs@pattonboggs.com)
5. Reputation Partners, LLC
105 West Adams Street, Suite 2220
Chicago, IL 60603- 6265
(312) 222- 9887
Contacts: Nick Kalm (nick@reputationpartners.com)
Jane Devron (jane@reputationpartners.com)
6. Robinson Lerer & Montgomery
1345 Avenue of The Americas, 4th Floor
New York, New York 10105
646- 805- 2000
Contact: Michael Gross (mgross@rlmnet.com)
7. Sard Verbinnen & Co.
630 Third Avenue, 9th Floor
New York, New York 10017
(212) 687- 8080
Contacts: George Sard (gsard@sardverb.com)
Paul Verbinnen (pverbinnen@sardverb.com)
8. Sitrick And Company
1840 Century Park East, Suite 800
Los Angeles, CA 90067
(310) 788- 2850
Contact: Michael Sitrick (mike sitrick@sitrick.com)

ENDORSEMENT# 1

This endorsement, effective *12:01 am September 3, 2018* forms a part of policy number *01-825-10-59* issued to *EDUCATION CORPORATION OF AMERICA*

by *AIG Specialty Insurance Company*

**NOTICE OF CLAIM
(REPORTING BY E-MAIL)**

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. *Email Reporting of Claims*: In addition to the postal address set forth for any Notice of Claim Reporting under this policy, such notice may also be given in writing pursuant to the policy's other terms and conditions to the Insurer by email at the following email address:

c-claim@AIG.com

Your email must reference the policy number for this policy. The date of the Insurer's receipt of the emailed notice shall constitute the date of notice.

In addition to Notice of Claim Reporting via email, notice may also be given to the Insurer by mailing such notice to: AIG, Financial Lines Claims, P.O. Box 25947, Shawnee Mission, KS 66225 or faxing such notice to (866) 227-1750.

2. *Definitions*: For this endorsement only, the following definitions shall apply:
 - (a) "Insurer" means the "Insurer," "Underwriter" or "Company" or other name specifically ascribed in this policy as the insurance company or underwriter for this policy.
 - (b) "Notice of Claim Reporting" means "notice of claim/circumstance," "notice of loss" or other reference in the policy designated for reporting of claims, loss or occurrences or situations that may give rise or result in loss under this policy.
 - (c) "Policy" means the policy, bond or other insurance product to which this endorsement is attached.
3. This endorsement does not apply to any Kidnap & Ransom/Extortion Coverage Section, if any, provided by this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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END 001

ENDORSEMENT# 2

This endorsement, effective at *12:01 am September 3, 2018* forms a part of
Policy number *01-825-10-59*
Issued to: *EDUCATION CORPORATION OF AMERICA*

By: *AIG Specialty Insurance Company*

Product Name: *PrivateEdge Plus*

ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

Coverage shall only be provided and payment of loss under this policy shall only be made in full compliance with enforceable United Nations economic and trade sanctions and the trade and economic sanction laws or regulations of the European Union and the United States of America, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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END 002

ENDORSEMENT# 3

This endorsement, effective *12:01 am September 3, 2018* forms a part of policy number *01-825-10-59* issued to *EDUCATION CORPORATION OF AMERICA*

by *AIG Specialty Insurance Company*

**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(ALL COVERAGE SECTIONS)**

In consideration of the premium charged, it is hereby understood and agreed that the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured**:

- A. alleging, arising out of, based upon, attributable to, or in any way involving, directly or indirectly, the **Hazardous Properties of Nuclear Material**, including but not limited to:
- (1) **Nuclear Material** located at any **Nuclear Facility** owned by, or operated by or on behalf of, the **Company**, or discharged or dispersed therefrom; or
 - (2) **Nuclear Material** contained in spent fuel or waste which was or is at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of the **Company**; or
 - (3) the furnishing by an **Insured** or the **Company** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **Nuclear Facility**; or
 - (4) **Claims** for damage or other injury to the **Company** or its shareholders which allege, arise from, are based upon, are attributed to or in any way involve, directly or indirectly, the **Hazardous Properties of Nuclear Material**.
- B. (1) which is insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability underwriters, or Nuclear Insurance Association of Canada, or would be insured under any such policy but for its termination or exhaustion of its limit of liability; or,
- (2) with respect to which: (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the **Insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

As used in this endorsement:

"**Hazardous Properties**" include radioactive, toxic or explosive properties.

"**Nuclear Facility**" means:

- (a) any nuclear reactor;
- (b) any equipment or device designed or used for

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END 003

ENDORSEMENT# 3 (continued)

- (1) separating the isotopes of uranium or plutonium,
 - (2) processing or utilizing spent fuel, or
 - (3) handling, processing or packaging wastes;
- (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; and
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear Material" means source material, special nuclear material or byproduct material.

"Nuclear Reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Source Material," "Special Nuclear Material," and **"Byproduct Material"** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent Fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.

"Waste" means any waste material (1) containing by product material and (2) resulting from the operation by any person or organization of any **Nuclear Facility** included within the definition of nuclear facility under paragraph (a) or (b) thereof.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 003

ENDORSEMENT# 4

This endorsement, effective *12:01 am September 3, 2018* forms a part of policy number *01-825-10-59* issued to *EDUCATION CORPORATION OF AMERICA*

by *AIG Specialty Insurance Company*

**SPECIFIC INVESTIGATION/CLAIM/LITIGATION/EVENT OR ACT EXCLUSION
(D&O, EPL AND FLI COVERAGE SECTIONS)**

In consideration of the premium charged, it is hereby understood and agreed that, solely with respect to **Loss** as may have otherwise been covered under the **D&O Coverage Section**, the **EPL Coverage Section** or the **FLI Coverage Section**, the **Insurer** shall not be liable to make any payment for any **Loss** in connection with: (i) any **Claim(s)**, notices, events, investigations or actions referred to in any of items listed below (hereinafter "**Events**"); (ii) the prosecution, adjudication, settlement, disposition, resolution or defense of: (a) any **Event(s)**; or (b) any **Claim(s)** arising from any **Event(s)**; or (iii) any **Wrongful Act**, underlying facts, circumstances, acts or omissions in any way relating to any **Event(s)**:

Events:

1. *All claims per RSUI loss runs dated 09/16/2011*

It is further understood and agreed that the **Insurer** shall not be liable for any **Loss** in connection with any **Claim(s)** alleging, arising out of, based upon, attributable to or in any way related directly or indirectly, in part or in whole, to an **Interrelated Wrongful Act** (as that term is defined below), regardless of whether or not such **Claim** involved the same or different Insureds, the same or different legal causes of action or the same or different claimants or is brought in the same or different venue or resolved in the same or different forum.

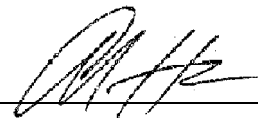
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END 004

ENDORSEMENT# 4 (continued)

For the purposes of this endorsement an "**Interrelated Wrongful Act**" means: (i) any fact, circumstance, act or omission alleged in any **Event(s)** and/or (ii) any **Wrongful Act** which is a **Related Wrongful Act** to any **Wrongful Act** alleged in any **Event(s)**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

A handwritten signature in black ink, appearing to be 'M.H.', is written above a horizontal line.

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This endorsement, effective *12:01 am September 3, 2018* forms a part of
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by *AIG Specialty Insurance Company*


**CLASS ACTION OR MULTIPLE PLAINTIFF CLAIMS SEPARATE RETENTION
(D&O COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed that Clause 6. **RETENTION CLAUSE** of the **D&O Coverage Section** is amended by adding the following paragraph at the end thereof:

Notwithstanding the foregoing, with regard to any **Class Action or Multiple Plaintiff Claim**, the **Insurer** shall only be liable for the amount of **Loss** arising from such **Class Action or Multiple Plaintiff Claim** which is in excess of a Retention amount of \$1,500,000, such Retention amount to be borne by the **Company** and/or the **Insureds** and shall remain uninsured, with regard to: (i) all **Indemnifiable Loss**; and (ii) **Loss** of the **Company**. A single Retention amount shall apply to **Loss** arising from all **Claims** alleging the same **Wrongful Act or Related Wrongful Acts**. In the event a **Claim** triggers more than one applicable retention amount, only the highest such amount shall apply, which amount shall apply to all **Loss** under such **Claim**.

For purposes of this endorsement only and solely with respect to the **D&O Coverage Section**, the term "**Class Action or Multiple Plaintiff Claim**" means any **Claim** brought by or on behalf of an actual or alleged class, whether or not certified as such, or by multiple plaintiffs, or which is seeking certification as a class action.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 6

This endorsement, effective *12:01 am September 3, 2018* forms a part of
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issued to *EDUCATION CORPORATION OF AMERICA*


by *AIG Specialty Insurance Company*

**SPECIFIC ENTITY/INDIVIDUAL EXCLUSION
(CLAIMS BROUGHT BY OR AGAINST)
(ALL COVERAGE SECTIONS)**

In consideration of the premium charged, it is hereby understood and agreed that, with respect to all **Coverage Sections**, the **Insurer** shall not be liable to make any payment for any **Loss** arising out of or in connection with any **Claim(s)** made against any **Insured** which is brought by or on behalf of or against (i) the entity(ies) or individual(s) listed below, including but not limited to any Claim brought by any director, officer, heir, trustee or partner of the entity, or by any security holder thereof, whether such Claim is brought directly or derivatively:

1. Geomarion Bradley, Sandra Friend, Willie Keyes, Stephanie Holmes, Lamonica Walker, Persephiney Hopkins, Angela Wiggins, Darlanda Robinson, Mary James, Lupe Randell, Julie Garner, Philip J. Shelnut

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 6

ENDORSEMENT# 7

This endorsement, effective *12:01 am September 3, 2018* forms a part of
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issued to *EDUCATION CORPORATION OF AMERICA*

by *AIG Specialty Insurance Company*

**ADDITIONAL LISTED PLAN(S) ENDORSEMENT - AP
(FLI COVERAGE SECTION)**

In consideration of the additional premium of _____, it is hereby understood
and agreed that, with respect to the **FLI Coverage Section**, the Definition of "Plan" shall
also include the following listed **Plan(s)**, subject to the corresponding **Continuity Date**:

PLAN(S)	CONTINUITY DATE
<i>Retirement Plan for Employees of the New England College of Business & Finance</i>	<i>June 6, 2012</i>

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 8

This endorsement, effective at *12:01 am September 3, 2018* forms a part of
Policy number *01-825-10-59*
Issued to: *EDUCATION CORPORATION OF AMERICA*

By: *AIG Specialty Insurance Company*

Product Name: *PrivateEdge Plus*

**AFFORDABLE CARE ACT COVERAGE
(FLI Coverage Section)**

In consideration of the additional premium of *\$0*, it is hereby understood and agreed that the **FLI Coverage Section** is amended as follows:

I.

The **FLI Coverage Section** is amended to include the following **FLI EXTENSION** Clause at the end thereof:

AA. FLI EXTENSION

Affordable Care Act Coverage

This policy shall pay the **Loss** of an **Insured** arising from a **Claim** made against such **Insured** for any **Healthcare Exchange Wrongful Act**.

II.

Solely with respect to the coverage afforded under this endorsement, in Clause 3. **DEFINITIONS** of the FLI Coverage Section, paragraph (kk), "**Wrongful Act**," is amended to include the following at the end thereof:

"**Wrongful Act**" also means any **Healthcare Exchange Wrongful Act**.

III.

As used herein, the following terms have the following meanings:

"**Healthcare Exchange**" means any public, private or government-sponsored entity set up to facilitate the purchase of health insurance in accordance with the Patient Protection and Affordable Care Act.

"**Healthcare Exchange Wrongful Act**" means any actual or alleged act, error or omission by an **Insured** in connection with insurance purchased through, or attempted to be purchased through, a **Healthcare Exchange**.

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END 008

ENDORSEMENT# 8 (continued)

IV.

Solely with respect to the coverage afforded by this endorsement, the term "**Plan**" is amended to include any **Healthcare Exchange**, but no coverage shall be provided for such **Healthcare Exchange**.

V.

Solely with respect to the coverage provided by this endorsement, in the event that the **Insured's** business is that of an insurer, insurance provider, or insurance exchange provider or marketplace, then the **Insurer** shall not be liable to make any payment for **Loss** in connection with such business, including but not limited to any professional services related thereto.

VI.

Further, coverage as is afforded by virtue of this endorsement shall apply excess of any other valid and collectible insurance under which payment of the claim is required or actually made. If said other insurance is provided by the **Insurer** or any other insurance company thereof (or would be provided but for the application of the retention amount or the exhaustion of the limit of liability) (herein, "**Other Policy**"), then the **Insurer's** maximum aggregate limit of liability for all **Loss** combined in connection with a **Claim** covered, in part or in whole, by this policy and such **Other Policy**, shall not exceed the greater of the **Limit** of Liability set forth on the Declarations page of this policy or the limit of liability of such **Other Policy**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 9

This endorsement, effective *12:01 am September 3, 2018* forms a part of policy number *01-825-10-59* issued to *EDUCATION CORPORATION OF AMERICA*

by *AIG Specialty Insurance Company*

**PANEL COUNSEL FIRM LIST AMENDED
(EPL COVERAGE SECTION)**

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. Appendix B "Panel Counsel List" for Clause 7. of the **EPL Coverage Section** is hereby amended to include the following law firm(s) (the "**Listed Firms**"), but solely with regard to a **Claim(s)** in its (their) respective jurisdiction(s) listed below:

<u>LAW FIRM</u>	<u>JURISDICTION</u>
(a) <i>Bressler Amery & Ross</i>	<i>US</i>
(b)	
2. The foregoing amendment to Appendix B shall not apply to any Claim :	
(a) for which the Insurer has assumed the defense pursuant to Clause 6 of this policy;	
(b) alleging Retaliation ;	
(c) brought in the form of a class or multiple plaintiff action; or	
(d) alleging discrimination or sexual harassment by a duly elected or appointed director or officer of the Company .	
3. Billing rates for the Listed Firms shall not exceed the following:	

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ENDORSEMENT# 9 (continued)

LAW FIRM

(a) *Bressler Amery & Ross*

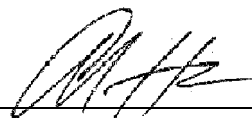
Partners: \$375
Associates: \$200
Paralegals: \$85

(b)

Partners:
Associates:
Paralegals:

4. With respect to the defense of any **Claims** by the **Listed Firm(s)**, it is agreed that to the extent that services are billed at rates that exceed the rates listed above, the excess over such rates shall not be covered under this policy as **Defense Costs** or otherwise as **Loss**.
5. The rates set forth in Clause 3 shall apply for the life of any **Claim** as long as such **Claim** is in any way covered under this policy. Such rates will be applied to (i) all covered **Defense Costs** and (ii) **Defense Costs** applied against an applicable **Retention**. The **Named Entity** shall bear, at its own expense, that portion of any fees charged by the **Listed Firms** that exceeds the applicable rates set forth in this endorsement.
6. The **Insureds** agree to require the **Listed Firms** to follow the **Insurer's** litigation guidelines ("**Litigation Guidelines**"). Copies of the **Litigation Guidelines** will be provided to (i) any **Insured** upon request and (ii) a **Listed Firm** once a **Claim** that such firm has been retained to handle is submitted to the **Insurer**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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**HIGHER EDUCATION ENDORSEMENT
(D&O AND EPL COVERAGE SECTIONS)**

In consideration of the premium charged, it is hereby understood and agreed that the **D&O Coverage Section** and the **EPL Coverage Section** are amended as follows:

I. AMENDMENTS TO D&O COVERAGE SECTION

The following amendments only apply if the **D&O Coverage Section** was purchased by the Insured.

A. Amendments to Definitions.

1. In Clause 2. **DEFINITIONS** of the **D&O Coverage Section**, the definition of "**Individual Insured(s)**" is amended to include the following at the end thereof:

Individual Insured(s) shall also include any past, present or future member of the faculty, student teacher, teaching assistant, faculty aide, representative to an education association of which the **Company** is a member, and any president, regent, chancellor, provost, treasurer, vice-president, dean, personnel director, governor, executive director, risk manager, university counsel, or other comparable senior administrator of the **Company**, regardless of whether they are considered as an **Employee** of the **Company** or as an independent contractor. **Individual Insureds(s)** shall also include any administrator, association member, member manager or alumni council member of the **Company**.

2. In Clause 2. **DEFINITIONS** of the **D&O Coverage Section**, the definition of "**Loss**" is amended to include the following at the end thereof:

(v) IRS Fines:

Loss shall include **Defense Costs** incurred in connection with a **Claim** seeking an assessment of taxes, initial taxes, additional taxes, tax deficiencies, excise taxes or penalties pursuant to the following sections of the Internal Revenue Code of 1986 (as amended):

Section 4911 (tax on excess expenditures to influence legislation);
Section 4940 (a) (tax on net investment income of tax-exempt foundations);
Section 4941 (taxes on self-dealing);
Section 4942 (taxes on failure to distribute income);
Section 4943 (taxes on excess business holding);

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by *AIG Specialty Insurance Company*

Section 4944 (taxes on investments which jeopardize charitable purpose);
Section 4945 (taxes on taxable expenditures);
Section 6652 (c) (1) (A) and (B) (penalties for failure to file certain
information returns or registration statements);
Section 6655 (a) (1) (penalties for failure to pay estimated income tax); and
Section 6656 (a) and (b) (penalties for failure to make deposit of taxes).

(vi) GOVERNMENTAL FUNDING DEFENSE COST COVERAGE

Loss shall not include the return of funds which were received from any federal, state or local governmental agency and any interest, fines or penalties arising out of the return of such funds; provided, however, that with regard to **Claims for Wrongful Acts** arising out of the return, or request to return such funds, this policy shall pay **Defense Costs** up to an amount not to exceed \$1,000,000 ("**Government Funding Defense Costs Sublimit of Liability**"). This **Government Funding Sub-Limit of Liability** shall be part of and not in addition to the **Designated Policy Aggregate Limit of Liability** and any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to the **D&O Coverage Section**, and shall in no way serve to increase such **Designated Policy Aggregate Limit of Liability, Designated Separate Limit of Liability** or **Designated Shared Limit of Liability**. With respect to any **Defense Costs** coverage afforded pursuant to this subparagraph (vi), it is further understood and agreed that the Insurer shall be liable to pay only 50% of such **Defense Costs**, excess of a retention in the amount of \$1,000,000, up to the **Government Funding Defense Costs Sublimit of Liability**, and subject to the **Designated Policy Aggregate Limit of Liability** and any **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** applicable to the **D&O Coverage Section**. It is a condition of this insurance that the remaining 50% of such **Defense Costs** shall be carried by the **Insureds** at their own risk and be uninsured.

(vii) EXCESS BENEFIT PENALTY COVERAGE

Loss shall also include any "**Excess Benefits**" penalty assessed in the amount of 10% by the Internal Revenue Service ("**IRS**") against any **Insured(s)** for management's involvement in the award of an "**Excess Benefit**" and the **Defense Costs** attributable thereto. **Loss** shall specifically exclude: (1) any 25% penalty assessed by the **IRS** against an **Insured** deemed to have received an **Excess Benefit**; (2) **Defense Costs** incurred to defend any **Insured** if it has been in fact determined that such individual received an **Excess Benefit**; and (3) any 200% penalty assessed by the **IRS** for failure to correct the award of an **Excess Benefit**. In all events, the assessment by the **IRS** of a 200% penalty against any **Insured** shall void ab initio all coverage afforded pursuant to this paragraph.

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by AIG Specialty Insurance Company

(viii) RETURN OF TUITION FEES

Subject to all other terms, conditions and exclusions of the policy, **Loss** shall also include any damages, judgments, settlements, pre-judgment and post-judgment interest arising out of, based upon or attributable to any return of tuition fees.

In the event that any **Claim** arising out of, based upon or attributable to return of tuition fees, then the **Insureds**, the **Insurer** and the **Company** shall allocate **Loss** relating to any such **Claim** in the manner set forth below.

Loss incurred in connection with a **Claim** described in the preceding paragraph shall be allocated as follows: 80% of such **Loss** shall be allocated as **Loss** covered under the policy and 20% of such **Loss** shall be allocated as not constituting **Loss** and not covered under the policy. The **Insurer's** liability for payment of the 80% of such **Loss** shall be subject to all other terms, conditions, exclusions and limitations of the policy and all endorsements thereto (whether any such endorsement precedes or follows this endorsement), including without limitation all terms and conditions of Clause 7 and Clause 9 of the policy. This **Loss** allocation shall not apply to or create any presumption with respect to the allocation of any other **Loss** in connection with any other **Claim**.

The maximum limit of the **Insurer's** liability for all **Loss** arising from any **Claim** arising out of, based upon or attributable to the return of tuition fees is \$10,000,000 ("**Sublimit of Liability**"). This **Sublimit of Liability** is part of, and not in addition to, the **Designated Separate Limit of Liability** or **Designated Shared Limit of Liability** for the **D&O Coverage Section** and the **Designated Policy Aggregate Limit** of set forth in Item 2 of the **Program Participant Endorsement**, and shall in no way serve to increase such **Designated Separate Limit of Liability**, **Designated Shared Limit of Liability** or **Designated Policy Aggregate Limit of Liability**.

3. In Clause 2. "DEFINITIONS" of the **D&O Coverage Section**, the definition of "**Wrongful Act**" is amended to include the following at the end thereof:

With respect to all **Insureds**, educational malpractice or failure to educate; negligent instruction; failure to supervise; inadequate or negligent academic guidance or counseling; improper or inappropriate academic placement or discipline; failure to grant due process; invasion of privacy or humiliation, including violation of the Buckley Amendment, the "Uniform Student Freedom of Expression Act" if adopted by any applicable jurisdiction; the publication of any alleged defamatory material in a book, newspaper or other publication of the **Company** or any alleged defamatory material broadcast over a radio, cable or television station owned or operated by the **Company**.

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4. Clause 2. **DEFINITIONS** of the **D&O Coverage Section** is amended to include the following definition at the end thereof:

(ee) "**Excess Benefits**" means an excess benefit as defined in the Taxpayer Bill of Rights Act, 2, 26 U.S.C. 4958.

B. Amendments To Exclusions.

1. Clause 4. **EXCLUSIONS** of the **D&O Coverage Section**, paragraphs (l) and (q)(iii) are deleted in their entirety and replaced as followed:

(l) for bodily injury, sickness, disease or death of any person, or damage to, loss of use of or destruction of any tangible property; provided, however, this exclusion shall not apply to: (1) **Securities Claims**; (2) **UK Corporate Manslaughter Act Defense Costs**; or (3) emotional distress or mental anguish;

(q)(iii) for any actual or alleged contractual liability of the **Company** under any express contract or agreement; provided, however, this exclusion shall not apply to:

- (1) **Written Sale Agreement**;
- (2) **Contract Claim Defense Costs Coverage**;
- (3) **Securities Claim**;
- (4) liability which would have attached in the absence of such express contract or agreement; or
- (5) covered **Loss** incurred in connection with a **Claim** alleging **Wrongful Acts** of an **Insured(s)** arising out of a contract with a student for educational services.

2. Clause 4. **EXCLUSIONS** of the **D&O Coverage Section** is amended to include the following at the end thereof:

The **Insurer** shall also not be liable to make any payment for **Loss** in connection with any **Claim** made against an **Insured** alleging, arising out of, based upon or attributable to or in any way relating to the rendering or failure to render any professional services for which registration or license is required by the federal, state or applicable local government. This exclusion shall not apply to the provision of or failure to provide educational services by the **Company** or an **Individual Insured**

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by *AIG Specialty Insurance Company*

C. Pre-Authorized Defense Attorneys For All Claims.

Clause 9. **PRE-AUTHORIZED DEFENSE ATTORNEYS FOR SECURITIES CLAIMS** of the **D&O Coverage Section** is deleted in its entirety and replaced with the following:

9. PRE-AUTHORIZED DEFENSE ATTORNEYS FOR ALL CLAIMS

This Clause 9 applies to all **Claims**.

Affixed as Appendix A hereto and made a part of this **D&O Coverage Section** is a list of Panel Counsel law firms ("**Panel Counsel Firms**") from which a selection of legal counsel shall be made to conduct the defense of any **Claim** against an **Insured** pursuant to the terms set forth in this Clause.

In the event the **Insureds** are already defending a **Claim**, then the **Insureds** shall select a Panel Counsel Firm to defend the **Insureds**.

The selection of the **Panel Counsel Firm** by the **Insureds** shall be from the list of **Panel Counsel Firms** designated for the type of **Claim** and be from the jurisdiction in which the **Claim** is brought. In the event a **Claim** is brought in a jurisdiction not included on the appropriate list, the selection shall be made from a listed jurisdiction which is the nearest geographic jurisdiction to either where the **Claim** is maintained or where the corporate headquarters or state of formation of the **Named Entity** is located. In such instance, however, the **Insurer** shall, at the written request of the **Named Entity**, assign a non-Panel Counsel Firm of the **Insurer's** choice in the jurisdiction in which the **Claim** is brought to function as "local counsel" on the **Claim** to assist the **Panel Counsel Firm** which will function as "lead counsel" in conducting the defense of the **Claim**.

With the express prior written consent of the **Insurer**, an **Insured** may select (in the case of the **Insured** defending the **Claim**), or cause the **Insurer** to select (in the case of the **Insurer** defending the **Claim**), a **Panel Counsel Firm** different from that selected by other **Insured** defendants if such selection is required due to an actual conflict of interest or is otherwise reasonably justifiable.

The list of **Panel Counsel Firms** may be amended from time to time by the **Insurer**. However, no change shall be made during the **Policy Period** to the **Panel Counsel Firms** listed in Appendix A without the consent of the **Named Entity**.

This endorsement, effective *12:01 am September 3, 2018* forms a part of
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issued to *EDUCATION CORPORATION OF AMERICA*

by *AIG Specialty Insurance Company*

D. Panel Counsel Firm List Amended.

1. Appendix A "Panel Counsel List" for Clause 9. of the **D&O Coverage Section** is hereby amended to include the following law firm(s) (the "**Listed Firms**"), but solely with regard to a **Claim(s)** in its (their) respective jurisdiction(s) listed below:

<u>LAW FIRM</u>	<u>JURISDICTION</u>
Ritzert Leyton	U.S.
Duane Morris	U.S.
Homer Bonner	U.S.
Cooley LLP	U.S.
Powers Pyle	U.S.
Maynard, Cooper & Gale	U.S.
Husch, Blackwell	U.S.
Armstrong Teasdale	U.S.
Bressler, Amery & Ross	U.S.

2. Billing rates for the **Listed Firms** shall not exceed the following:

Partners: \$375
Associates: \$250
Paralegals: \$125

3. With respect to the defense of any **Claims** by the **Listed Firm(s)**, it is agreed that to the extent that services are billed at rates that exceed the rates listed above, the excess over such maximum rates shall not be covered under this policy as **Defense Costs** or otherwise as **Loss**.
4. The rates set forth in Clause 3 shall apply for the life of any **Claim** as long as such **Claim** is in any way covered under this policy. Such rates will be applied to (i) all covered **Defense Costs** and (ii) **Defense Costs** applied against an applicable **Retention**. The **Named Entity** shall bear, at its own expense, that portion of any fees charged by the **Listed Firms** that exceeds the applicable rates set forth in this endorsement.

This endorsement, effective *12:01 am September 3, 2018* forms a part of policy number *01-825-10-59* issued to *EDUCATION CORPORATION OF AMERICA*

by *AIG Specialty Insurance Company*

5. The **Insureds** agree to require the **Listed Firms** to follow the **Insurer's D&O Liability Litigation Guidelines ("Litigation Guidelines")**. Copies of the **Litigation Guidelines** will be provided to (i) any **Insured** upon request and (ii) a **Listed Firm** once a **Claim** that such firm has been retained to handle is submitted to the **Insurer**.

E. Antitrust Claims.

Solely with regard to **Loss** as may have otherwise been covered under the **D&O Coverage Section**:

1. In Item 6. **RETENTION AMOUNTS** of the **Program Participation Endorsement**, the section applicable to the **D&O Retention** is deleted in its entirety and replaced with the following:

Liability Coverage Section		Retention/Deductible
D&O	D&O Coverage Section	Antitrust Claims: \$1,500,000 All Other Claims: \$500,000

2. In Clause 5. **RETENTION CLAUSE** of the **General Terms and Conditions**, subparagraph (a) is amended by inserting the following paragraph at the end thereof:

Notwithstanding the foregoing, with respect to any **Antitrust Claims**, the **Insurer** shall only be liable for **Loss** arising from an **Antitrust Claim** which is in excess of the applicable Retention amount stated in Item 3 of the **Declarations for Antitrust Claims**, such Retention amount to be borne by the **Organization** and/or the **Insureds** and shall remain uninsured, with regard to: (i) all **Indemnifiable Loss**; and (ii) **Loss** of the **Organization**. A single Retention amount shall apply to **Loss** arising from all **Claims** alleging the same **Wrongful Act or Related Wrongful Acts**. In the event a **Claim** triggers more than one amount stated in Item 3 of the **Declarations**, only the highest such amount shall apply, which amount shall apply to all **Loss** under such **Claim**.

3. Solely with respect to the coverage provided by this endorsement, Clause 2. **DEFINITIONS** of the **General Terms and Conditions** is hereby amended by adding the following Definition to the end thereof:

"**Antitrust Claim**" means any **Claim** alleging, arising out of, based upon or attributable to, or in any way involving, either directly or indirectly, antitrust violations, including any violation of the Sherman Antitrust Act, the Clayton Act, the Robinson-Patman Act or any similar federal, state or local statutes or rules, price fixing, price discriminations, unfair competition, deceptive trade practices and/or monopolies, including any actions, proceedings, claims or investigations related thereto.

This endorsement, effective *12:01 am September 3, 2018* forms a part of
policy number *01-825-10-59*
issued to *EDUCATION CORPORATION OF AMERICA*

by *AIG Specialty Insurance Company*

II. AMENDMENTS TO EPL COVERAGE SECTION

The following amendments only apply if the **EPL Coverage Section** was purchased by the Insured.

A. Amendments to Definitions.

1. In Clause 2. **DEFINITIONS** of the **EPL Coverage Section**, the definition of "**Employment Practices Violation**" is amended by deleting subparagraph (xii) and replacing it with the following subparagraphs:

(xii) defect in the tenure or peer review process, including the denial or removal of tenure.

(xiii) with respect to any of the foregoing items (i) through (xii) of this definition: negligent hiring, retention, training or supervision, infliction of emotional distress or mental anguish, failure to provide or enforce adequate or consistent corporate policies and procedures, or violation of an individual's civil rights;

2. In Clause 2. **DEFINITIONS** of the **EPL Coverage Section**, the definition of "**Individual Insured(s)**" is amended to include the following at the end thereof:

Individual Insured(s) shall also include any past, present or future member of any duly constituted committee; any individual person engaged by a duly constituted committee for purposes of providing an expert opinion with regard to peer review or credentialing decision concerning an individual physician; any individual in charge of any operational department or any medical director, staff physician or faculty member of the **Company**, regardless of whether or not such person is directly employed by the **Company** or is considered to be an independent contractor.

B. Amendments To Exclusions.

1. In Clause 3. **EXCLUSIONS** of the **EPL Coverage Section**, paragraph (h) is deleted in their entirety and replaced with the following:

(h) alleging, arising out of, based upon or attributable to any actual or alleged contractual liability of any **Insured** under any express contract or agreement; provided, however, that this exclusion shall not apply to:

(i) **Liability** which would have attached in the absence of such express contract or agreement;

(ii) **Defense Costs**; or

(iii) **Claims for Loss** alleging **Wrongful Acts** of an **Insured(s)** with respect to hospital practice privileges, credentialing or peer review matters;

This endorsement, effective *12:01 am September 3, 2018* forms a part of
policy number *01-825-10-59*
issued to *EDUCATION CORPORATION OF AMERICA*

by *AIG Specialty Insurance Company*

C. PRE-AUTHORIZED DEFENSE ATTORNEYS FOR ALL CLAIMS.

Clause 6. "**PRE-AUTHORIZED DEFENSE ATTORNEYS FOR SECURITIES CLAIMS**" of the **EPL Coverage Section** is deleted in its entirety and replaced with the following:

6. PRE-AUTHORIZED DEFENSE ATTORNEYS FOR ALL CLAIMS

This Clause 6 applies to all **Claims**.

Affixed as Appendix B hereto and made a part of this **EPL Coverage Section** is a list of Panel Counsel law firms ("**Panel Counsel Firms**") from which a selection of legal counsel shall be made to conduct the defense of any **Claim** against an **Insured** pursuant to the terms set forth in this Clause.

In the event the **Insureds** are already defending a **Claim**, then the **Insureds** shall select a Panel Counsel Firm to defend the **Insureds**.

The selection of the **Panel Counsel Firm** by the **Insureds** shall be from the list of **Panel Counsel Firms** designated for the type of **Claim** and be from the jurisdiction in which the **Claim** is brought. In the event a **Claim** is brought in a jurisdiction not included on the appropriate list, the selection shall be made from a listed jurisdiction which is the nearest geographic jurisdiction to either where the **Claim** is maintained or where the corporate headquarters or state of formation of the **Named Entity** is located. In such instance, however, the **Insurer** shall, at the written request of the **Named Entity**, assign a non-Panel Counsel Firm of the **Insurer's** choice in the jurisdiction in which the **Claim** is brought to function as "local counsel" on the **Claim** to assist the **Panel Counsel Firm** which will function as "lead counsel" in conducting the defense of the **Claim**.

With the express prior written consent of the **Insurer**, an **Insured** may select (in the case of the **Insured** defending the **Claim**), or cause the **Insurer** to select (in the case of the **Insurer** defending the **Claim**), a **Panel Counsel Firm** different from that selected by other **Insured** defendants if such selection is required due to an actual conflict of interest or is otherwise reasonably justifiable.

The list of **Panel Counsel Firms** may be amended from time to time by the **Insurer**. However, no change shall be made during the **Policy Period** to the **Panel Counsel Firms** listed in Appendix B without the consent of the **Named Entity**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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END 10

ENDORSEMENT# 11

This endorsement, effective *12:01 am September 3, 2018* forms a part of
 policy number *01-825-10-59*
 issued to *EDUCATION CORPORATION OF AMERICA*

by *AIG Specialty Insurance Company*

PROGRAM PARTICIPANT ENDORSEMENT - EDUCATION CORPORATION OF AMERICA

In consideration of the premium amount charged for the **Named Entity** listed on this endorsement and any **Insured** of such **Named Entity**, as such premium amount is set forth in Item 7 of this endorsement, it is understood and agreed that the following terms and conditions are particular to such **Named Entity** and any **Insured** thereof:

Item 1. **NAMED ENTITY:** EDUCATION CORPORATION OF AMERICA

MAILING ADDRESS: 3660 GRANDVIEW PKWY
 BIRMINGHAM, AL 35243-3330

STATE OF INCORPORATION/FORMATION OF THE NAMED ENTITY: DE

Item 2. **DESIGNATED POLICY AGGREGATE LIMIT OF LIABILITY:** \$35,000,000

Coverage Section	Designated Shared Limit of Liability	Designated Separate Limit of Liability
D&O Coverage Section:	N/A	\$10,000,000
EPLI Coverage Section:	N/A	\$15,000,000
FLI Coverage Section:	N/A	\$10,000,000

Item 3. **OTHER POLICY YEAR LIMITS OF LIABILITY:**

- a. Crisis Management Fund for D&O: \$50,000
- b. Costs of Investigation Coverage Sublimit for D&O: \$250,000
- c. Voluntary Compliance Loss Sublimit of Liability for FLI: \$100,000
- d. HIPAA Penalties Sublimit of Liability for FLI: \$100,000
- e. Contract Claim Defense Costs Coverage Sublimit of Liability for D&O: \$1,000,000
- f. Side A Excess Limit of Liability \$1,000,000

excess aggregate limit of liability for all **Non-Indemnifiable Loss** solely for **Executives** of a **Company** (including **Defense Costs**) under the **D&O Coverage Section** (herein the "**Side A Excess Limit of Liability**")

This endorsement, effective *12:01 am September 3, 2018* forms a part of
policy number *01-825-10-59*
issued to *EDUCATION CORPORATION OF AMERICA*

by *AIG Specialty Insurance Company*

Item 4. **CONTINUITY DATES:**

D&O Coverage Section:	12/21/2004
EPLI Coverage Section:	12/21/2004
FLI Coverage Section:	12/21/2004

Item 5. **PRIOR ACT DATES:**

D&O Coverage Section:	N/A
EPLI Coverage Section:	N/A
FLI Coverage Section:	N/A

Item 6. **RETENTION AMOUNTS (for Loss arising from Claims alleging the same Wrongful Act or Related Wrongful Acts):**

D&O Coverage Section:	\$500,00
EPLI Coverage Section:	\$350,000
FLI Coverage Section:	\$100,000

Note: No Retention amount is applicable to non-Indemnifiable Loss.

Item 7.

PREMIUM	\$620,000
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Item 8.

ANNUAL PREMIUM	\$620,000
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AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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END 11

ENDORSEMENT# 12

This endorsement, effective at *12:01 am September 3, 2018* forms a part of
Policy number *01-825-10-59*
Issued to: *EDUCATION CORPORATION OF AMERICA*

By: *AIG Specialty Insurance Company*

Product Name: *PrivateEdge Plus*

**FEDERAL SHARE OF COMPENSATION UNDER TRIA AND CAP ON LOSSES
ENDORSEMENT**

This endorsement modifies insurance provided by this Policy:

DISCLOSURE

You should know that where coverage is provided by this Policy for losses resulting from "Certified Acts of Terrorism" (as defined by Section 102 (1) of United States Terrorism Risk Insurance Act), such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your Policy may contain other exclusions which might affect your coverage such as, an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning January 1, 2018; 81% beginning January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from "Certified Acts of Terrorism" when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion in a calendar year and if we have met our insurer deductible, we are not liable for the payment of any portion of the amount of such losses that exceeds \$100 billion; and for aggregate insured losses up to \$100 billion, we will only pay a pro rata share of such insured losses as determined by the Secretary of the Treasury.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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END 012

ENDORSEMENT# 13

This endorsement, effective *12:01 am September 3, 2018* forms a part of
 policy number *01-825-10-59*
 issued to *EDUCATION CORPORATION OF AMERICA*

by *AIG Specialty Insurance Company*

FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
MNSCPT		DIRECTORS & OFFICERS LIABILITY INSURANCE, EMPLOYMENT PRACTICES LIABILITY INSURANCE, FIDUCIARY LIABILITY INSURANCE - DECLARATIONS
96555	01/15	TRIA DEC DISCLOSURE FORM
MNSCPT		GENERAL TERMS AND CONDITIONS
MNSCPT		D&O COVERAGE SECTION
MNSCPT		EPL COVERAGE SECTION
MNSCPT		FLI COVERAGE SECTION
	06/08	SECURITIES CLAIM PANEL COUNSEL LIST
	06/08	EMPLOYMENT PRACTICES CLAIM PANEL COUNSEL
99544	07/08	EMPLOYEE BENEFIT PLAN FIDUCIARY LIABILITY PANEL COUNSEL
97886	04/08	POLICYHOLDER NOTICE REGARDING E-DISCOVERY CONSULTANT SERVICES
96311	02/08	APPENDIX D - CRISIS MANAGEMENT COVERAGE FOR D&O COVERAGE SECTION
99758	08/08	NOTICE OF CLAIM (REPORTING BY E-MAIL)
119679	09/15	ECONOMIC SANCTIONS ENDORSEMENT
95737	09/07	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (ALL COVERAGE SECTIONS)
99193	05/08	SPECIFIC INVESTIGATION-CLAIM-LITIGATION-EVENT OR ACT EXCLUSION (D&O EPL AND FLI COVERAGE SECTION)
MNSCPT		CLASS ACTION OR MULTIPLE PLAINTIFF CLAIMS SEPARATE RETENTION
MNSCPT		SPECIFIC ENTITY/INDIVIDUAL EXCLUSION
95855	09/07	ADDITIONAL LISTED PLAN(S) ENDORSEMENT (AP) FLI COVERAGE SECTION
117285	02/14	AFFORDABLE CARE ACT (OBAMACARE) COVERAGE ENHANCEMENT
99560	07/08	PANEL COUNSEL FIRM LIST AMENDED (EPL COVERAGE SECTION)
MNSCPT		HIGHER EDUCATION ENDORSEMENT

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END 013

ENDORSEMENT# 13

This endorsement, effective *12:01 am September 3, 2018* forms a part of
policy number *01-825-10-59*
issued to *EDUCATION CORPORATION OF AMERICA*

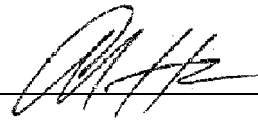
by *AIG Specialty Insurance Company*

FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
MNSCPT		PROGRAM PARTICIPANT ENDORSEMENT - EDUCATION CORPORATION OF AMERICA
125595	03/17	FEDERAL SHARE OF COMPENSATION UNDER TRIA AND CAP ON LOSSES ENDORSEMENT
78859	10/01	FORMS INDEX ENDORSEMENT

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE
Or Countersignature (In states where applicable)

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END 013



CLAIM REPORTING FORM

Issuing Company: *AIG Specialty Insurance Company*

Reported under Policy/Bond Number: 01-825-10-59 Date: _____

Type of Coverage: D&O _____ E&O _____ Fidelity _____ (complete the Fidelity Supplemental on the next page)

Insured's Name, as given on Policy Declarations (Face Page):

EDUCATION CORPORATION OF AMERICA

Contact Person: _____

Title: _____

Phone: (_____) _____ - _____ Ext _____

eMail: _____ @ _____

Case or Claimant Name: _____

If the party involved is different from "Insured" Name (as given on Policy Declarations) state relationship:

Insurance Broker/Agent: WILLIS OF NEW YORK, INC

Address: 200 LIBERTY STREET, 7TH FL

Address: NEW YORK, NY 10281-1003

Contact: COURTNEY LOGAN Phone: _____

eMail: MAILHUB@WILLISTOWERSWATSON.COM

Send Notice of Claims to:	AIG	Phone: (888) 602- 5246
	Financial Lines Claims	Fax: (866) 227- 1750
	P.O. Box 25947	Email: c- Claim@AIG.com
	Shawnee Mission, KS 66225	



**CLAIM REPORTING FORM
FIDELITY SUPPLEMENTAL**

(Only complete this supplemental if the Claim is being reported under Fidelity Coverage)

Issuing Company: *AIG Specialty Insurance Company*

Reported under Policy/Bond Number: 01-825-10-59



Date of Discovery: _____ Estimated Amount of loss: _____

Cause of Loss:	Employee Dishonesty	_____	Computer Fraud	_____
	Funds Transfer	_____	Robbery/Burglary	_____
	ID Theft	_____	Forgery	_____
	Client Property	_____	In Transit	_____
	ERISA	_____	Credit Card Forgery	_____
	Other	_____	if Other, describe:	_____



Send Notice Of Claims To:	AIG	Phone: (888) 602- 5246
	Financial Lines Claims	Fax: (866) 227- 1750
	P.O. Box 25947	Email: c- Claim@AIG.com
	Shawnee Mission, KS 66225	

EXHIBIT 2



Starr Indemnity & Liability Company

399 Park Avenue
 New York, NY 10022
 (646) 227-6377

**STARR SECURE EXCESS LIABILITY
 POLICY**

**POLICY NUMBER: 1000059620181
 RENEWAL OF: 1000059620171**

NOTICE: EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY MAY ONLY APPLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN.

NOTICE: THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY AMOUNTS INCURRED FOR DEFENSE COSTS. AMOUNTS INCURRED FOR DEFENSE COSTS SHALL BE APPLIED AGAINST THE RETENTION AMOUNT, IF ANY.

NOTICE: PLEASE READ THIS POLICY CAREFULLY AND DISCUSS THE COVERAGE HEREUNDER WITH YOUR INSURANCE AGENT OR BROKER.

DECLARATIONS

ITEM 1: NAMED INSURED: Education Corporation of America

ADDRESS: 3660 Grandview Parkway, Suite 300
 Birmingham, AL 35243

ITEM 2: POLICY PERIOD: From: September 3, 2018 To : September 3, 2019
 (12:01 a.m. Standard Time at the address stated in Item 1)

ITEM 3: LIMIT OF LIABILITY: \$10,000,000 excess of \$10,000,000
 aggregate for all coverages combined (including Defense Costs)

ITEM 4: UNDERLYING COVERAGES, UNDERLYING POLICIES & UNDERLYING INSURERS:

A. COVERAGE: Directors & Officers Liability

Followed Policy:

<i>Insurer</i>	<i>Policy Number</i>	<i>Limits</i>	<i>Policy Period</i>
AIG Specialty Insurance Company	01-825-10-59	\$10,000,000	9/3/2018 – 9/3/2019

ITEM 5: PREMIUM: \$180,000

ITEM 6: ADDRESS OF INSURER AND ITS AUTHORIZED AGENTS FOR NOTICES UNDER THIS POLICY

A. Claims-Related Notices

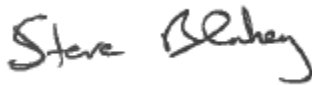
STARR ADJUSTMENT SERVICES, INC.
399 PARK AVENUE, 9TH FLOOR
NEW YORK, NY 10022

e-mail: StarrFLPLClaims@starrcompanies.com

B. All Other Notices to the Insurer:

STARR INDEMNITY & LIABILITY COMPANY
ATTN: FINANCIAL LINES DEPARTMENT
399 PARK AVE. 8TH FLOOR
NEW YORK, NY 10022

In Witness Whereof, the Insurer has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the Insurer



Steve Blakey, President



Nehemiah E. Ginsburg, General Counsel



Authorized Representative

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers’ liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$0, and does not include any charges for the portion of losses covered by the United States government under the Act.

Starr Indemnity & Liability Company

STARR SECURE EXCESS LIABILITY POLICY

In consideration of premium paid, Starr Indemnity & Liability Company (herein referred to as the “Insurer”) and the Insureds agree as follows:

I. INSURING CLAUSE

The Insurer shall pay the individuals and entities insured under the Followed Policy (also referred to herein as the “Insured”) for loss after exhaustion by payments of all applicable underlying limits solely as a result of payment of losses covered thereunder, jointly or severally by: (i) the Underlying Insurers, as specified in Item 4 of the Declarations, and/or (ii) in place or on behalf of the Underlying Insurers, the Insureds and/or any other source, in accordance with the terms, conditions, limitations and other provisions of the Followed Policy; subject to:

- A. the Limit of Liability as stated in Item 3 of the Declarations; and
- B. all other terms and conditions of, and the endorsements attached to, this Policy.

Notwithstanding the above, this Policy shall not provide coverage broader than that provided by the Followed Policy listed in Item 4 of the Declarations.

In the event of the depletion of the limits of liability of the Underlying Policy(ies) as a result of payment of losses covered thereunder on the terms set forth herein, this Policy shall, subject to the Limit of Liability set forth in Item 3 of the Declarations and to the other terms of this Policy, continue to apply for subsequent losses as excess insurance over the amount of insurance remaining under such Underlying Policy.

In the event of the exhaustion of all of the limits of liability of the Underlying Policy(ies), including satisfaction of any applicable retention or deductible, as a result of payment of losses covered thereunder, on the terms set forth herein and there are remaining limits of liability available under this Policy it shall, subject to the Limit of Liability as set forth in Item 3 of the Declarations and to the other terms of this Policy, continue for subsequent losses as primary insurance and any applicable retention or deductible specified in the Followed Policy shall be imposed under this Policy.

The risk of uncollectability of the limits of liability of such Underlying Policy(ies) for any reason, including but not limited to by reason of financial impairment or insolvency of an Underlying Insurer, is expressly retained by the Insureds, and is not assumed by the Insurer or insured under this Policy.

II. CLAIM & NOTICE PROVISIONS

1. The Insurer shall have the same rights, privileges and protections as the Underlying Insurer of the Followed Policy, including but not limited, as to the Claim provisions of the Followed Policy.
2. All notices required under the Followed Policy to the Underlying Insurer for that policy are required hereunder to be given to the Insurer or Insurer’s authorized agent at the applicable address set forth in Item 6 of the Declarations.

III. REPRESENTATIONS AND WARRANTIES

It is a condition precedent to the Insurer's obligations under this Policy, and the Insured agrees, that all applications, warranty statements, together with attachments and any other materials submitted for this Policy and the Followed Policy, shall be deemed attached to and made a part of this Policy. The Insurer has relied on all such materials, representations and information as being accurate and complete in issuing this Policy.

IV. CHANGES

The Insured agrees that, if after issuance of the Followed Policy, should any change to any Underlying Policy be made by rewrite, endorsement or otherwise, this Policy shall not follow form and provide coverage for such change without the written consent of the Insurer and payment of any required premium, if any, for such change.

V. SUBLIMITS

This Policy shall not follow form to any sub-limit in an Underlying Policy, unless such coverage is specifically endorsed upon this Policy. However, in the event a sub-limit of liability exists in an Underlying Policy and coverage for such is not provided under this Policy, any payments of loss that are subject to such a sub-limit shall be deemed to apply toward the erosion or exhaustion of the limits of liability of the Underlying Policy for purposes of coverage under this Policy.

VI. CANCELLATION CLAUSE

This Policy shall follow the cancellation terms of the Followed Policy except that in the event the Insurer cancels this Policy for non-payment of premium, this Policy shall be void as of the inception date of the Policy Period.

Endorsement No.: 1

This endorsement, effective: September 3, 2018

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: 1000059620181

Issued to: Education Corporation of America

By: Starr Indemnity & Liability Company

**DELETE POLICY PROVISIONS AND
FOLLOW FOLLOWED POLICY**

It is understood and agreed that this Policy is amended by deleting the following provision(s) therefrom and instead following form to any applicable provisions of the Followed Policy:

Deleted Provisions:

- Clause III. REPRESENTATIONS AND WARRANTIES

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 2

This endorsement, effective: September 3, 2018

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: 1000059620181

Issued to: Education Corporation of America

By: Starr Indemnity & Liability Company

ALABAMA AMENDATORY ENDORSEMENT

It is understood and agreed that Clause VI. CANCELLATION CLAUSE is deleted and replaced by the following:

VI. CANCELLATION AND NON-RENEWAL CLAUSE

1. The Named Insured as set forth in ITEM 1. of the Declarations may cancel this Policy prior to its expiration date by giving advance written notice of cancellation to the Insurer stating when such cancellation shall be effective. The Insurer shall refund the unearned premium on the customary short rate basis. The customary short rate premium shall be calculated by multiplying the pro rata unearned premium by ninety percent (90%).
2. The Insurer may only cancel this Policy for non-payment of premium. The Insurer shall mail or deliver written notice of cancellation to the Named Insured not less than ten (10) days prior to the effective date of cancellation. The notice of cancellation shall state the reason for cancellation.
3. If the Insurer decides not to renew this Policy, the Insurer shall mail or deliver written notice to the Named Insured at the last known address at least sixty (60) days prior to the expiration of the Policy Period. The notice shall state the reason for non-renewal.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 3

This endorsement, effective: September 3, 2018

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: 1000059620181

Issued to: Education Corporation of America

By: Starr Indemnity & Liability Company

OFAC ENDORSEMENT

It is understood and agreed that the Policy is amended by adding the following:

OFAC COMPLIANCE

This policy shall not cover any loss in connection with any Claim in the event such coverage would not be in compliance with any United States of America economic or trade sanctions, laws or regulations, including but not limited to the U.S. Treasury Department's Office of Foreign Assets Control, or any similar foreign, federal, state or statutory law or common law.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Endorsement No.: 4

This endorsement, effective: September 3, 2018

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: 1000059620181

Issued to: Education Corporation of America

By: Starr Indemnity & Liability Company

RELIANCE ENDORSEMENT
(other applications)

In granting coverage under this Policy, it is understood and agreed that the Insurer has relied upon the statements, representations and warranties contained in all applications, warranty statements, together with attachments and any other materials submitted for this Policy (including all such previous policy applications, and their attachments and materials, for which this Policy is a renewal or succeeds in time), as being accurate and complete. It is further understood and agreed that the Insureds warrant and represent to the Insurer that the statements, representations and warranties made in such application(s) were accurate on the date such statements and representations were so given. All such statements and representations in such application(s) are the basis of this Policy and are to be considered as incorporated into this Policy.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 5

This endorsement, effective: September 3, 2018

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: 1000059620181

Issued to: Education Corporation of America

By: Starr Indemnity & Liability Company

SPECIFIC LITIGATION / EVENT EXCLUSION

It is understood and agreed that the Policy is amended by adding the following exclusion:

SPECIFIC LITIGATION / EVENT EXCLUSION

This Policy shall not cover any loss in connection with any Claim alleging, arising out of, based upon or attributable to:

- (i) any of the claims, notices, events, investigations or actions described below (hereinafter "Event");
- (ii) the prosecution, adjudication, settlement, disposition, resolution or defense of either an Event or any claims arising from or based upon an Event; or
- (iii) any wrongful act, underlying facts, circumstances, acts or omissions in any way relating to any Event.

For the purpose of this endorsement only, the following defined terms shall apply:

"Related Wrongful Act" means: (i) any fact, circumstance, act or omission alleged in any Event; or (ii) any Wrongful Act which is the same as, similar to or a repetition of any Wrongful Act alleged in any Event.

"Event" shall mean the following:

1. All claims per RSUI loss run dated 9/16/2011 and all claim loss info cited in the No Known Loss Letter signed by CEO on 12/15/2011.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 6

This endorsement, effective: September 3, 2018

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: 1000059620181

Issued to: Education Corporation of America

By: Starr Indemnity & Liability Company

PRIOR ACTS EXCLUSION

It is understood and agreed that this Policy shall not cover any loss in connection with any Claim or loss alleging, arising out of, based upon or attributable to the facts alleged, or to the same or related act(s), error(s), omission(s) or Wrongful Act(s) committed, attempted, or allegedly committed or attempted in whole, or in part, prior to November 1, 2004.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 7

This endorsement, effective: September 3, 2018

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: 1000059620181

Issued to: Education Corporation of America

By: Starr Indemnity & Liability Company

FOLLOW FORM - SPECIFIED COVERAGE(S) ONLY

It is understood and agreed that:

1. This Policy follows the terms and conditions of the Followed Policy (subject to the terms and conditions of this Policy) solely in respect of the following Coverage Sections as applicable of the Followed Policy:
 - a) D&O Coverage Section

2. In no event shall this Policy follow or be construed to follow, or provide coverage under, any other Insuring Agreements, Clauses, Coverage Sections or other grants of coverage of the Followed Policy, including by any endorsement thereto, not specified in Paragraph 1. above.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

Endorsement No.: 8

This endorsement, effective: September 3, 2018

(at 12:01 a.m. Standard Time at the address stated in Item 1 of the Declarations)

Forms a part of Policy No.: 1000059620181

Issued to: Education Corporation of America

By: Starr Indemnity & Liability Company

PENDING OR PRIOR EXCLUSION

It is understood and agreed that the following is added to this Policy:

PENDING OR PRIOR EXCLUSION

This Policy shall follow any exclusion in the Followed Policy regarding pending or prior litigation, administrative, regulatory or other proceedings, investigations, demands, suits, orders, decrees or judgments. The applicable date for determining whether any such matter is “pending or prior” for the purpose of such exclusion in this Policy shall be **March 1, 2009**.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



Authorized Representative

EXHIBIT 3



Insurer Home Office Address:
175 E. Houston Street, Suite 1300
San Antonio, TX 78205

Insurer Administrative Office:
225 W. Washington Street, 24th Floor
Chicago, IL 60606

ARGO FLEX-XSSM **FOLLOW FORM EXCESS INSURANCE POLICY**

THIS POLICY APPLIES ONLY TO CLAIMS FIRST MADE (UNLESS OTHERWISE PROVIDED) AGAINST THE INSURED DURING THE POLICY PERIOD. DEFENSE COSTS AND CLAIM EXPENSES MAY REDUCE THE LIMIT OF LIABILITY AVAILABLE TO RESPOND TO COVERED LOSS. THE INSURER MAY NOT ASSUME A DUTY TO DEFEND.

PLEASE READ THIS POLICY CAREFULLY AND DISCUSS THE COVERAGE PROVIDED WITH YOUR INSURANCE AGENT OR BROKER.

DECLARATIONS

INSURER

Argonaut Insurance Company

PRODUCER

Willis of New York, Inc.
One World Financial Centre, 200 Liberty
Street, 7th floor
New York, NY 10281 - 1003

Policy No.: MLX 7602784-1

Renewal of Policy No.: MLX 7602784-00

Terms appearing in **bold** are defined in the Policy.

Item 1. **Named Insured:** Education Corporation of America
Principal Address: 3660 Grandview Parkway, Suite 300
Birmingham, AL 35243 – 3330

Item 2. **Policy Period:**
From: September 3, 2018 12:01 a.m. (Local time at the Named Insured's address)
To: September 3, 2019 12:01 a.m. (Local time at the Named Insured's address)

Item 3. **Limit of Liability** \$10,000,000

Item 4. **Underlying Insurance and Insurance Products:** See Endorsement No. 1

Item 5. Annual Premium \$119,500

Item 6. Extended Reporting Period:

Additional Premium for the Extended Reporting Period: Per Followed Policy

Length of the Extended Reported Period: Per Followed Policy

Item 7. Notices to **Insurer:**

Claims:

Attn: ARGO GROUP US
Management Liability - Claims
101 Hudson Street, Suite 1201
Jersey City, NJ 07302
(732) 623 8950
ArgoMLClaims@argoprou.com

All Other Notices:

Attn: ARGO GROUP US
Management Liability - Underwriting
101 Hudson Street, Suite 1201
Jersey City, NJ 07302
(732) 623 8950

Item 8. Endorsements Applicable to Coverage at Inception of Policy:

AG ML 2040 EX (4 15)	Argo Group US Privacy Policy
AG ML 1127 EX (1 15)	Policyholder Disclosure Statement Under the Terrorism Risk Insurance Act
AG ML 1192 EX (5 10)	Policyholder Notice – US Dept of Treasury Office of Foreign Asset Control (OFAC)
AG ML 1136 EX (5 10)	Schedule of Underlying Insurance and Insurance Products Endorsement
AG ML 1174 EX (5 10)	Alabama Amendatory Endorsement
AG ML 2034 EX (5 10)	State Amendatory Inconsistency
AG ML 1107 EX (5 10)	Prior Acts Exclusion
AG ML 1120 EX (5 10)	Non Follow Form
AG ML 1121 EX (5 10)	Acceptance of Followed Policy Applications
AG ML 2045 EX (9 15)	Amend Extended Reporting Period

This Policy shall not be valid unless also signed by another duly authorized representative of the **Insurer**.

Countersigned:

By:

Date: September 14, 2018


Authorized Representative:

FOLLOW FORM EXCESS INSURANCE POLICY

ARGO FLEX-XSSM



In consideration of the payment of the premium and in reliance upon all information provided and all statements made in the application(s) for this Policy and the **Underlying Insurance**, the **Insurer** and the **Insured(s)** agree as follows:

I. INSURING AGREEMENT

With respect to each **Insurance Product**, this insurance shall apply in excess of all applicable **Underlying Insurance** for **Material Events**. Except as otherwise provided in this Policy, the insurance afforded hereunder shall apply in conformance with the provisions of the **Followed Policy**, to the extent that coverage is not further modified or restricted by any other **Underlying Insurance**. In no event shall this Policy provide broader coverage than the most restrictive policy of **Underlying Insurance**.

The insurance afforded under this Policy shall not apply unless and until all **Underlying Insurance** with respect to an applicable **Insurance Product** has been exhausted by actual payment of **Loss** thereunder.

II. DEFINITIONS

- A. “**Claim**” has the same meaning as attributed to that term in the **Followed Policy**.
- B. “**DIC Insurer**” means an insurer who drops down and pays **Loss**, pursuant to an excess difference in conditions policy issued specifically to be excess of this Policy that is not paid by **Underlying Insurance** pursuant to an excess difference in conditions policy written specifically in excess of this Policy. The policy written by the **DIC Insurer** is not part of the **Underlying Insurance**.
- C. “**Followed Policy**” means the specific policy identified as the “**Followed Policy**” under the applicable **Insurance Product** identified in Endorsement No. 1. attached to this Policy.
- D. “**Insurance Product**” means each separate type of insurance identified as an “**Insurance Product**” in Endorsement No. 1, attached to this Policy.
- E. “**Insured(s)**” means all persons or entities entitled to coverage under the **Followed Policy**.
- F. “**Insurer**” means the insurer identified in the Declarations.
- G. “**Loss**” shall have the same meaning as attributed to that term in the **Followed Policy**.
- H. “**Material Events**” means:

1. a **Loss** first discovered during the **Policy Period** by any **Insured(s)** in connection with any **Underlying Insurance** that is a bond; or
2. a **Claim** first made during the **Policy Period** against an **Insured** in connection with any other **Underlying Insurance**, whether written on a “claims made,” “occurrence,” or other basis.

- I. “**Policy Period**” means the period from the inception date of this Policy to the expiration date of this Policy as stated in Item 2. of the Declarations, or its earlier cancellation or termination date.
- J. “**Underlying Insurance**” means each insurance policy which constitutes all or part of an **Insurance Product**, as scheduled in Endorsement No. 1, attached to this Policy.
- K. “**Underlying Limits**” means the aggregate sum of all limits of liability of all **Underlying Insurance** with respect to each **Insurance Product** scheduled in Endorsement No. 1, attached to this Policy, in addition to the retention or deductible that is applicable to the **Followed Policy** for such **Insurance Product**.

For the purposes of these Definitions, the singular includes the plural and the plural includes the singular, unless otherwise indicated.

III. DEPLETION OF UNDERLYING LIMITS

- A. If the **Underlying Limits** are partially exhausted solely as the result of actual payment by the **Underlying Insurance**, this Policy shall continue to apply as excess insurance over the remaining **Underlying Limits**.
- B. If the **Underlying Limits** are completely exhausted solely as the result of actual payment by the **Underlying Insurance**, or a **DIC Insurer**, this Policy shall apply as primary insurance with respect to the applicable **Insurance Product(s)**, and be subject to the application of any retention or deductible applicable under the **Followed Policy(ies)**.
- C. If any **Underlying Insurance provides for** any coverage subject to a sublimit of liability, this Policy shall not provide such coverage. However, this Policy shall recognize any reduction of the **Underlying Limits** by any payment subject to such sublimit.

IV. LIMIT OF LIABILITY

The Limit of Liability specified in Item 3. of the Declarations shall be the **Insurer’s** maximum aggregate limit of liability, and shall be the **Insurer’s** maximum amount payable under this Policy for all **Loss** resulting from all **Material Events**.

V. NOTICES

The **Insured(s)** shall give notice to the **Insurer** of any **Material Events** contemporaneous with and in conformance with the notice provisions of the **Followed Policy**, except that such notice shall be delivered to the address specified in Item 7. of the Declarations.

The Declarations, the completed and signed application for this Policy, all materials submitted in support of the application or made a part of the application and this policy form constitute the Policy.

VI. RIGHTS

The **Insurer** shall have the same rights, privileges and protections afforded in any of the

Underlying Insurance. The **Insurer** shall also have the right to participate in the investigation, settlement and defense of any **Material Events** noticed under this Policy, even if the **Underlying Limits** have not been exhausted. The **Insured(s)** shall give the **Insurer** all information and cooperation as the **Insurer** may reasonably request.

VII. ALTERATION

No alteration, change or modification to this Policy shall be effective unless made by endorsement signed by an authorized representative of the **Insurer**.

By:



President



Secretary



Privacy Policy

Argo Group US, Inc. (“Argo Group”) recognizes the importance of maintaining the privacy of our customers and the confidentiality of each individual’s nonpublic personal information, including Social Security numbers. We take seriously the responsibility that accompanies our collection of nonpublic personal information, including Social Security numbers. Accordingly, Argo’s corporate policy is to protect the privacy and confidentiality of our consumers and their nonpublic personal information as required by law.

Information Collection and Use

In order to conveniently and effectively provide and service the insurance products we sell, we may collect and use Social Security numbers and other nonpublic personal information. As such, this policy does not prohibit the collection or use of Social Security numbers and nonpublic personal information where legally authorized and/or required. This policy complies with the requirements of the Gramm-Leach-Bliley Act (GLBA) and applicable federal and state laws and regulations implementing the act. Such laws impose certain obligations upon third persons and organizations with which we share nonpublic personal information of our consumers, customers, former customers, or claimants. Accordingly, we prohibit the unauthorized disclosure of Social Security numbers and other protected nonpublic personal information, except as legally required or authorized.

Information Sharing and Disclosure

Argo Group does not rent, sell or share your personally identifiable information with nonaffiliated third parties. Argo Group may, however, share personally identifiable information with third-party contractors. These third-party contractors are prohibited from using the information for purposes other than performing services for Argo Group. Argo Group may disclose your information to third parties when obligated to do so by law and to investigate, prevent, or take action regarding suspected or actual prohibited activities, including but not limited to fraud and situations involving the security of our operations and employees.

Finally, Argo Group may transfer information, including any personally identifiable information, to a successor entity in connection with a corporate merger, consolidation, sale of all or a portion of its assets, bankruptcy, or other corporate change.

Security

In order to protect your nonpublic personal information, we limit access to nonpublic personal information by only allowing authorized personnel to have access to such information. Furthermore, we maintain physical, electronic and procedural security protections to safeguard the nonpublic personal information in our records. Documents that contain an individual’s protected information are destroyed before disposal; this destruction process includes the shredding of print and disposable media and deletion of electronic media. Argo Group has security measures in place to protect the loss, misuse and alteration of the information under our control. Our hardware infrastructure is housed in a controlled access facility that restricts access to authorized individuals. The network infrastructure is protected by a firewall and traffic is monitored and logged both on the firewall and servers. Sensitive administrative activities are carried out over secure, encrypted links between our offices and hosting facility. Administrative

access is limited not only to authorized employees but also to specific remote administration protocols and IP addresses. All employees with access to personally identifiable information have been advised of Argo Group's security policies and practices. Argo Group will continue to conduct internal audits of its security systems and make all necessary enhancements to ensure the safety of the website and its users. No method of transmission over the Internet or method of electronic storage is 100% secure; therefore, while Argo Group uses commercially acceptable means to protect your information, we cannot guarantee absolute security.

Any Argo Group employee who becomes aware of the inappropriate use or disclosure of Social Security numbers and other protected nonpublic personal information is expected to immediately report such behavior to the General Counsel for further action.

Corrected/Updated Information

This policy applies to certain insureds of Argo Group, including but not limited to worker's compensation claimants. If you have any questions about this Privacy Policy, please contact:

General Counsel
Argo Group US, Inc.
P.O. Box 469011
San Antonio, Texas 78246
(210) 321-8400

*Note: Argo Group is the parent of Argonaut Insurance Company; Argonaut-Southwest Insurance Company; Argonaut-Midwest Insurance Company; Argonaut Great Central Insurance Company; Argonaut Limited Risk Insurance Company; ARIS Title Insurance Corporation; Select Markets Insurance Company; Colony Insurance Company; Colony Specialty Insurance Company; Peleus Insurance Company (fka Colony National Insurance Company); Rockwood Casualty Insurance Company; Somerset Casualty Insurance Company; Grocers Insurance Agency, Inc.; Central Insurance Management, Inc.; Alteris Insurance Services, Inc.; Trident Insurance Services, LLC; Commercial Deposit Insurance Agency, Inc.; Sonoma Risk Management, LLC; John Sutak Insurance Brokers, Inc.; Colony Management Services, Inc.; Argonaut Management Services, Inc.; and Argonaut Claims Management, LLC. This Privacy Policy applies to all companies and business produced or underwritten within Argo Group.

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act.* The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

 X I hereby elect to purchase terrorism coverage for a prospective premium of \$Included .

 I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant’s Signature	Education Corporation of America Named Insured
Print Name	Argonaut Insurance Company Insurance Company
Title	MLX 7602784-1 Policy Number
Date	Willis Towers Watson Producer

POLICYHOLDER NOTICE
U.S. DEPARTMENT OF TREASURY OFFICE OF FOREIGN
ASSET CONTROL
(“OFAC”)

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of this Policy. Please read the Policy and review the Declarations page for complete information on the coverage provided by it.

This Policyholder Notice provides information concerning the potential impact on the coverage provided under this Policy due to directives issued by OFAC. Please read this Notice carefully. Please also review any economic and trade sanctions exclusion that may be attached to the Policy.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of “national emergency”. OFAC has identified and listed numerous”

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as “Specially Designated Nationals and Blocked Persons”. This list can be located on the United States Treasury’s web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that any Insured, or any other person or entity claiming the benefits of this Policy, has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this Policy shall be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments or premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF UNDERLYING INSURANCE AND INSURANCE PRODUCTS ENDORSEMENT

In consideration of the payment of the premium for this Policy, it is hereby understood and agreed that the Schedule of **Underlying Insurance** and **Insurance Products** is as follows:

A. Insurance Product: Excess D&O Liability

1. Followed Policy

<u>Insurer</u>	<u>Policy Number</u>	<u>Limits</u>	<u>Policy Period</u>
AIG Specialty Insurance Company	01-825-10-59	\$10,000,000	09/03/2018 – 09/03/2019

2. Other Underlying Insurance

<u>Insurer</u>	<u>Policy Number</u>	<u>Limits</u>	<u>Policy Period</u>
AIG Specialty Insurance Company	01-825-10-59	\$10,000,000	09/03/2018 – 09/03/2019
Starr Indemnity & Liability Company	1000059620181	\$10,000,000 excess of \$10,000,000	09/03/2018 – 09/03/2019

B. Insurance Product: Not Applicable

1. Followed Policy


<u>Insurer</u>	<u>Policy Number</u>	<u>Limits</u>	<u>Policy Period</u>
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2. Other Underlying Insurance

<u>Insurer</u>	<u>Policy Number</u>	<u>Limits</u>	<u>Policy Period</u>
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All other terms, conditions and exclusions remain unchanged.

This endorsement changes the Policy to which it is attached and is effective on the date issued unless otherwise stated.

Endorsement Effective September 3, 2018 Policy No. MLX 7602784-1 Endorsement No. 1
 Insured Education Corporation of America Premium _____
 Insurance Company Argonaut Insurance Company Authorized Signature 

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ALABAMA AMENDATORY ENDORSEMENT

In consideration of the payment of the premium for this Policy, it is hereby understood and agreed that the Policy is amended as follows:


The Policy is amended by the addition of the following:

VIII. CANCELLATION AND NONRENEWAL

- A.** The Named **Insured** specified in Item 1. of the Declarations may cancel this Policy prior to its expiration date by giving advance written notice of cancellation to the **Insurer** stating when such cancellation shall be effective. The **Insurer** shall refund the unearned premium on the customary short rate basis. The customary short rate premium shall be calculated by multiplying the pro-rata unearned premium by ninety percent (90%).
- B.** The **Insurer** shall only cancel this Policy for nonpayment of premium. The **Insurer** shall mail or deliver written notice of cancellation to the Named **Insured** at least ten (10) days prior to the effective date of cancellation. The notice of cancellation shall state the reason for cancellation.
- C.** If the **Insurer** decides not to renew this Policy, the **Insurer** shall mail or deliver written notice to the Named **Insured** at least thirty (30) days prior to the expiration of the **Policy Period**. The notice shall state the reason for nonrenewal.

All other terms, conditions and exclusions remain unchanged.

This endorsement changes the Policy to which it is attached and is effective on the date issued unless otherwise stated.

Endorsement Effective September 3, 2018 Policy No. MLX 7602784-1 Endorsement No. 2
Insured Education Corporation of America Premium _____
Insurance Company Argonaut Insurance Company Authorized Signature 


THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

STATE AMENDATORY INCONSISTENCY

In consideration of the payment of the premium for this Policy, it is hereby understood and agreed that in the event there is an inconsistency between a state amendatory endorsement attached to this Policy and any term or condition of this Policy, then where permitted by applicable law, the **Insurer** shall apply those terms and conditions of either the amendatory endorsement or the Policy that are more favorable to the **Insured(s)**.

All other terms, conditions and exclusions remain unchanged.

This endorsement changes the Policy to which it is attached and is effective on the date issued unless otherwise stated.

Endorsement Effective September 3, 2018 Policy No. MLX 7602784-1 Endorsement No. 3
Insured Education Corporation of America Premium _____
Insurance Company Argonaut Insurance Company Authorized Signature 

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIOR ACTS EXCLUSION


In consideration of the payment of the premium for this Policy, it is hereby understood and agreed that the Policy is amended as follows:

The **Insurer** shall not be liable to make payment for **Loss**, in connection with any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:

1. any act, omission, fact, circumstance, situation, transaction, and/or event which occurred, or is alleged to have occurred, in whole or in part, prior to November 1, 2004, including any act, omission, fact, circumstance, situation, transaction, and/or event which would otherwise be considered a **Material Events**; or
2. any other act, omission, fact, circumstance, situation, transaction, and/or event, whenever occurring, which together with an act, omission, fact, circumstance, situation, transaction, and/or event described in 1. above are causally or logically interrelated by a common nexus.

All other terms, conditions and exclusions remain unchanged.

This endorsement changes the Policy to which it is attached and is effective on the date issued unless otherwise stated.

Endorsement Effective September 3, 2018 Policy No. MLX 7602784-1 Endorsement No. 4
Insured Education Corporation of America Premium _____
Insurance Company Argonaut Insurance Company Authorized Signature 

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NON-FOLLOW FORM ENDORSEMENT

In consideration of the payment of the premium for this Policy, it is hereby understood and agreed that the Policy is amended as follows:

This Policy follows the terms and conditions of the **Followed Policy** (subject to the terms and conditions of this Policy) except that in no event shall this Policy follow or be construed to follow the following terms, conditions or endorsements of the **Followed Policy**:

Employment Practices Coverage Section
Fiduciary Coverage Section

All other terms, conditions and exclusions remain unchanged.

This endorsement changes the Policy to which it is attached and is effective on the date issued unless otherwise stated.


Endorsement Effective September 3, 2018 Policy No. MLX 7602784-1 Endorsement No. 5
Insured Education Corporation of America Premium _____
Insurance Company Argonaut Insurance Company Authorized Signature 

EXHIBIT 4



Dear Policyholder,

Thank you for choosing Zurich for your Management Liability Product(s). We truly appreciate your business and welcome the opportunity to work with you.

We wanted to inform you that under the terms of this transaction you are entitled to online services and resources that are designed just for management solutions customers. These resources are available at no additional cost to you and include loss mitigation tips and techniques, industry-related articles and more. Here are just some examples of what is available to you:

- **eDiscovery website** – a real-time information tool, including a readiness assessment for this rapidly growing phenomena
- **Thought leadership materials** – dedicated to your top-of-mind needs, including timely webinars and engaging white papers, even specific to your industry segment
- **Security & Privacy readiness self assessment** – this exposure makes headlines daily. How ready is your organization for this fast-growing threat?
- **Strategic Risk Services and Enterprise Risk Management** – on-line information source for related hot topics and ERM videos to minimize barriers to achieving expected business outcomes

To access this information and all other resources, simply visit www.ZurichMgmtSolutions.com. Please be sure to have your policy number handy.

Deliver for our customers when it matters most. At Zurich, that's the promise we make every day. I thank you again for choosing Zurich.

Sincerely,

A handwritten signature in black ink that reads 'Brian F. Winters'.

Brian Winters
Head of Specialty Products

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Important Notice - In Witness Clause

In return for the payment of premium, and subject to the terms of this policy, coverage is provided as stated in this policy. IN WITNESS WHEREOF, this Company has executed and attested these presents and, where required by law, has caused this policy to be countersigned by its duly Authorized Representative(s).

A handwritten signature in black ink, appearing to read 'Mark G. Kampfer'.

President

A handwritten signature in black ink, appearing to read 'Dan F. Kempf'.

Corporate Secretary

QUESTIONS ABOUT YOUR INSURANCE? Your agent or broker is best equipped to provide information about your insurance. Should you require additional information or assistance in resolving a complaint, call or write to the following (please have your policy or claim number ready):

Zurich in North America
Customer Inquiry Center
1299 Zurich Way
Schaumburg, Illinois 60196-1056
1-800-382-2150 (Business Hours: 8 a.m. - 4 p.m. [CT])
Email: info.source@zurichna.com

Insured Name: EDUCATION CORPORATION OF AMERICA

Policy Number: MPL 0183905-03

Effective Date: 09/03/2018



THIS DISCLOSURE IS ATTACHED TO AND MADE PART OF YOUR POLICY.

DISCLOSURE OF IMPORTANT INFORMATION RELATING TO TERRORISM RISK INSURANCE ACT

SCHEDULE*

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA: Not Applicable - Terrorism Exclusion

*Any information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act ("TRIA"), as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of premium attributable is shown in the Schedule above. The premium shown in the Schedule above is subject to adjustment upon premium audit, if applicable.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

The United States Government may pay a share of insured losses resulting from an act of terrorism. The federal share will decrease by 5% from 85% to 80% over a five year period while the insurer share increases by the same amount during the same period. The schedule below illustrates the decrease in the federal share:

January 1, 2015 – December 31, 2015 federal share: 85%
January 1, 2016 – December 31, 2016 federal share: 84%
January 1, 2017 – December 31, 2017 federal share: 83%
January 1, 2018 – December 31, 2018 federal share: 82%
January 1, 2019 – December 31, 2019 federal share: 81%
January 1, 2020 – December 31, 2020 federal share: 80%

C. Disclosure of \$100 Billion Cap on All Insurer and Federal Obligations

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100 billion in a calendar year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

D. Availability

As required by TRIA, we have made available to you for lines subject to TRIA coverage for losses resulting from acts of terrorism certified under TRIA with terms, amounts and limitations that do not differ materially from those for losses arising from events other than acts of terrorism.

E. Definition of Act of Terrorism under TRIA

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.



Disclosure Statement

It is our pleasure to present the enclosed policy to you
for presentation to your customer.

INSTRUCTION TO AGENT OR BROKER:

WE REQUIRE THAT YOU TRANSMIT THE ATTACHED/ENCLOSED DISCLOSURE STATEMENT TO THE CUSTOMER
WITH THE POLICY.

Once again, thank you for your interest, and we look forward to meeting your needs and those of your customers.



Disclosure Statement

NOTICE OF DISCLOSURE FOR AGENT & BROKER COMPENSATION

If you want to learn more about the compensation Zurich pays agents and brokers visit:

<http://www.zurichnaproducercompensation.com>

or call the following toll-free number: (866) 903-1192.

This Notice is provided on behalf of Zurich American Insurance Company
and its underwriting subsidiaries.



Zurich Excess Select Insurance Policy

Declarations

Insurance is provided by:

Zurich American Insurance Company
1299 Zurich Way
Schaumburg, Illinois 60196-1056

THIS POLICY FOLLOWS TO THE TERMS, CONDITIONS, AND LIMITATIONS OF THE FOLLOWED POLICY. COVERAGE IS LIMITED TO LOSS FROM CLAIMS AGAINST THE POLICYHOLDER DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD, IF EXERCISED, AND REPORTED TO THE UNDERWRITER PURSUANT TO SUBSECTION III.A. THE LIMIT OF LIABILITY SHALL BE REDUCED BY AMOUNTS INCURRED AS DEFENSE COSTS AND/OR CLAIMS EXPENSES, IF APPLICABLE. PLEASE READ THIS POLICY CAREFULLY. DEFINED TERMS APPEAR IN BOLD AND HAVE THE MEANING SET FORTH IN THE DECLARATIONS.

Policy Number: MPL 0183905-03

Item 1. **Policyholder** and Mailing Address: EDUCATION CORPORATION OF AMERICA
3660 GRANDVIEW PARKWAY
BIRMINGHAM, AL 35243-3330

Item 2. Aggregate Limit of Liability: \$10,000,000

Item 3. **Underlying Insurance:**

A.	Followed Policy	Policy Type	Policy Number	Limit of Liability	Attachment
	AIG Specialty Insurance Company	Primary	01-825-10-59	\$10,000,000	\$500,000

B.	Other Underlying Insurance	Policy Number	Limit of Liability	Attachment
	Starr Indemnity & Liability Company	1000059620181	\$10,000,000	\$10,000,000
	Argonaut Insurance Company(Admitted)	MLX 7602784-1	\$10,000,000	\$20,000,000

Item 4. **Policy Period:** From: 12:01 A.M. on 09/03/2018 To: 12:01 A.M. on 09/03/2019
Policy incepts and expires at the local time at the address shown in Item 1.

Item 5. Notice to Underwriter:

A. Address for Notice of Claim or Potential Claim	B. Address for All Other Notices:
Attn: Zurich North America - MSG Claims P.O. Box 968041 Schaumburg, IL 60196-8041 Fax: 866-255-2962 Email: msgclms@zurichna.com	Attn: Northeast Regional Manager One Liberty Plaza, 33rd Floor New York, NY 10006 Fax: (212) 225-7030 Email: NEsubmissions@zurichna.com

Item 6. Premium: \$75,000

Item 7. Endorsements Effective at Inception: See Attached Schedule of Forms and Endorsements



Form and Endorsement Schedule

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
MPL 0183905-03	09/03/2018	09/03/2019	09/03/2018		

Policyholder: EDUCATION CORPORATION OF AMERICA

This endorsement modifies insurance provided under the following:

Zurich Excess Select Insurance Policy

Form Name	Form Number	Edition Date	Endorsement No.
Important Notice - In-Witness Clause	U-GU-319-F	(01/09)	
Disclosure of Important Information Relating to Terrorism Risk Insurance Act	U-GU-630-D CW	(01/15)	
Zurich Excess Select Insurance Policy Declarations	U-FLXS-D-100-A CW	(08/11)	
Zurich Excess Select Insurance Policy	U-FLXS-100-B CW	(05/18)	
Exclusion of Certified Acts of Terrorism	U-GU-1205-A CW	(10/15)	01
Non-Follow Form Endorsement	U-FLXS-205-A CW	(08/11)	02
Alabama Amendatory Endorsement	U-FLXS-140-C AL	(05/15)	03
Sanctions Exclusion Endorsement	U-GU-1191-A CW	(03/15)	04

All other terms, conditions, provisions and exclusions of this policy remain the same.

Zurich Excess Select Insurance Policy

The Underwriter issues this policy in reliance upon the statements made in the application, warranty, if permitted, representations or statements made by the **Policyholder** to the Underwriter, in the application to the insurers of the **Underlying Insurance** and any binder of **Underlying Insurance**. All terms in bold below shall have the meaning provided in the Declarations. In consideration of payment of the premium and subject to the Declarations and the definitions, limitations, conditions, provisions and other terms of this policy and any endorsements hereto, the Underwriter and the **Policyholder** agree as follows:

- I. **INSURING CLAUSE** – The Underwriter shall provide the **Policyholder** with insurance coverage during the **Policy Period** excess of the **Underlying Insurance**. The **Policyholder** may have the right to purchase an extended reporting period for purposes of reporting claims during the extended reporting period. Coverage under this policy shall attach only after:
 - A. all the Limits of Liability of the **Underlying Insurance** have been exhausted solely as a result of the actual payment of covered loss(es); or
 - B. the **Policyholder** and/or any other insurer(s), entity, or individual on behalf of the **Policyholder** has paid up to the full limits of liability for such loss, and satisfied any deductible(s) or retention amount(s) of the **Underlying Insurance** on behalf of the insurer(s) of any **Underlying Insurance**, including coverage provided pursuant to a difference in conditions policy.

Coverage under this policy shall then apply in conformance with and subject to the warranties, if permitted, limitations, conditions, provisions, and other terms of the **Followed Policy**, together with the warranties, if permitted, and limitations of any other **Underlying Insurance**. In no event shall coverage under this policy be broader than coverage under any **Underlying Insurance**. In the event of reduction or exhaustion of all the Limits of Liability of the **Underlying Insurance** solely as a result of the payment of covered loss(es), this policy shall: (1) in the event of reduction, pay excess of the reduced Limit(s) of Liability of the **Underlying Insurance**, or (2) in the event of exhaustion, continue in force as primary or governing insurance excess of the applicable deductible(s) or retention amount(s) in the **Followed Policy**, which deductible(s) or retention(s) shall be applied to any subsequent covered loss as specified in the **Followed Policy**.

II. LIMIT OF LIABILITY

The amount set forth in Item 2. of the Declarations shall be the Underwriter's maximum aggregate liability under this policy with respect to all claims. Defense costs and/or claims expenses, if applicable, are part of and not in addition to the Limit of Liability and the payment by the Underwriter of such defense costs and/or claims expenses, if applicable, reduce the Limit of Liability.

Any coverage under the **Followed Policy** that provides for a maximum Limit of Liability that is less than the Limit of Liability stated in Item 3. of the Declarations for such **Underlying Insurance** ("Sublimit of Liability") shall not be provided by this policy. Provided, however, any actual payment of covered loss(es) made under the **Followed Policy** or other **Underlying Insurance** on account of any claim, for which coverage is subject to a Sublimit of Liability, shall be recognized by the Underwriter as contributing to the reduction or exhaustion of the Limit(s) of Liability designated in Item 3. of the Declarations.

III. CONDITIONS

- A. **Reporting and Notice** – As a condition precedent to exercising any rights under this policy, the **Policyholder** shall give the Underwriter written notice of any claim or any potential claim under this policy or any **Underlying Insurance** in the same manner required by the terms and conditions of the **Followed Policy**. Notwithstanding the foregoing, notice to the insurer(s) of the **Followed Policy** or other **Underlying Insurance** does not constitute notice to the Underwriter. Written notice of any claim or potential claim shall be provided to the Underwriter at the address set forth in Item 5.A. of the Declarations.

The Underwriter shall be given notice in writing to the address set forth in Item 5.B. of the Declarations as soon as practicable in the event of (1) termination of any **Underlying Insurance**, (2) any additional or return premiums charged or allowed in connection with any **Underlying Insurance**, or (3) any change to any of the **Underlying Insurance**.

- B. Alteration – No change in, modification of, or assignment of interest under this policy or **Underlying Insurance** shall be effective except when made by a written agreement or endorsement to this policy by an authorized representative of the Underwriter. To the extent such **Underlying Insurance** is modified or altered, the Underwriter shall not recognize any new or modified coverage to which it has not consented.
- C. Maintenance of Underlying Insurance – As a condition precedent to coverage under this policy, the **Policyholder** agrees to maintain the **Underlying Insurance** during the **Policy Period** in full effect with solvent insurers. To the extent such **Underlying Insurance** is not maintained, then the **Policyholder** shall be deemed self-insured for the amount of the Limit(s) of Liability of any such **Underlying Insurance**.



Exclusion of Certified Acts of Terrorism

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer No.	Add'l. Prem	Return Prem.
MPL 0183905-03	09/03/2018	09/03/2019	09/03/2018	18741000		

Named Insured / Mailing Address:

EDUCATION CORPORATION OF AMERICA
 3660 GRANDVIEW PARKWAY
 BIRMINGHAM, AL 35243-3330

Producer:

WILLIS OF NEW YORK INC
 200 LIBERTY ST FL 6
 NEW YORK, NY 10281-0001

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Zurich Excess Select Insurance Policy

The following exclusion is added:

A. Exclusion of Certified Acts of Terrorism

Coverage under this policy does not apply to any liability, **loss**, (whether indemnified or not or defined or not), damage, claim, cost, **Defense Costs**, expense or any monies arising directly or indirectly, out of a **Certified Act Of Terrorism**, including any action taken in hindering or defending against an actual or expected **Certified Act Of Terrorism**. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

B. Definition of Certified Act of Terrorism

As used in this endorsement and for purposes of applicability to any and all coverage provided under the policy, **Certified Act Of Terrorism** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. TRIA provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

All other terms and conditions of this policy remain unchanged.

Endorsement # 02



Non-Follow Form Endorsement

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
MPL 0183905-03	09/03/2018	09/03/2019	09/03/2018		

Policyholder: EDUCATION CORPORATION OF AMERICA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Excess Select Insurance Policy

It is agreed that:

The following section is added to the policy:

EXCLUSIONS:

This policy does not provide the **Policyholder** with insurance coverage for any claim made against or loss incurred by any insured that is subject to the types of coverage(s) afforded under the **Followed Policy** as set forth in the SCHEDULE below. Any payment made by the insurer of the **Followed Policy** for loss for such coverage shall not reduce or exhaust the limits of liability of the **Followed Policy** for purposes of ascertaining the attachment for coverage under this policy.

NON-FOLLOWED COVERAGE(S) SCHEDULE
--

Employment Practices Liabilities EPL, Fiduciary FLI, Employed Lawyers Professional Liability CCP, Crime Coverage
CRIME

ALL OTHER TERMS AND CONDITIONS OF THE POLICY SHALL APPLY AND REMAIN UNCHANGED.



Alabama Amendatory Endorsement

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
MPL 0183905-03	09/03/2018	09/03/2019	09/03/2018		

Policyholder: EDUCATION CORPORATION OF AMERICA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Zurich Excess Select Insurance Policy

It is agreed that:

For purposes of this Endorsement, all terms in bold below shall have the meaning provided in the Declarations and **Underlying Insurance**. The following sections are added to the Policy:

IV. EXTENDED REPORTING PERIODS

A. Automatic Extended Reporting Period

If either the Underwriter or the **Policyholder** fails or refuses to renew, or if the **Policyholder** cancels this Policy, other than for nonpayment of premium, coverage granted by this Policy shall be automatically extended for a period of ninety (90) days after such nonrenewal or cancellation, but only with respect to any wrongful act taking place prior to the effective date of such nonrenewal or cancellation. No additional premium shall be payable for such Automatic Extended Reporting Period. The Automatic Extended Reporting Period shall not apply where an optional Extended Reporting Period has been purchased, or to claims that are covered under any subsequent insurance purchased by or for the benefit of the **Policyholder**.

B. Optional Extended Reporting Period

If either the Underwriter or the **Policyholder** fails or refuses to renew, or if the **Policyholder** cancels this Policy other than for nonpayment of premium, then the **Policyholder** on behalf of all Insureds shall have the right, upon payment of an additional premium, to an extension of the coverage granted by this Policy as set forth in an endorsement to this policy following the effective date of such nonrenewal or cancellation, but only with respect to any wrongful act taking place prior to the effective date of such nonrenewal or cancellation. This right of extension shall lapse unless written notice of such election, together with payment of the additional premium due, is given by the **Policyholder** to the Underwriter within sixty (60) days following the effective date of nonrenewal or cancellation.

C. The Automatic Extended Reporting Period pursuant to Subsection IV.A and the Optional Extended Reporting Period, if purchased, pursuant to Subsection IV.B, shall be collectively referred to in this Policy as the Extended Reporting Period. Any claim first made and reported during the Extended Reporting Period, if applicable, shall be considered made during the **Policy Period**. The Extended Reporting Period does not reinstate or increase the Limits of Liability beyond the Limits of Liability available under this Policy or extend the **Policy Period**. If the Optional Extended Reporting Period is purchased, the Automatic Extended Reporting Period shall be included within and not in addition to the Optional Extended Reporting Period.

Any Optional Extended Reporting Period if purchased shall be non-cancellable and the entire premium shall be deemed earned at its commencement.

V. POLICY TERMINATION, NONRENEWAL AND CONDITIONAL RENEWAL

This Policy shall terminate at the earliest of the following times:

A. Upon expiration of the **Policy Period** as set forth in Item 4 of the Declarations;

B. At such other time as may be agreed upon by the Underwriter and the **Policyholder**;

C. Cancellation

1. This Policy may be canceled by the **Policyholder** by surrender thereof to the Underwriter or any of its authorized representatives, or by mailing to the Underwriter written notice stating when, thereafter, cancellation shall be effective.
2. The Underwriter may cancel this Policy only for nonpayment of premium. In such event, the Underwriter shall mail written notice of cancellation for nonpayment of premium to the **Policyholder**. Such notice shall state the effective date of cancellation, which shall not be less than ten (10) days after mailing such notice.
3. In the event of cancellation, the Underwriter shall refund the unearned premium computed pro rata.

D. Nonrenewal

If the Underwriter elects not to renew this Policy, the Underwriter shall send written notice of nonrenewal at least sixty (60) days prior to expiration unless:

1. the reason for the nonrenewal is due to nonpayment of premium; or
2. the **Policyholder** has obtained replacement coverage with another insurance company.

E. Conditional Renewal

If the Underwriter offers to renew this Policy with different terms, the Underwriter shall send written notice of such conditional renewal prior to expiration indicating the elimination, reduction or change in policy coverage, conditions or definitions.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Endorsement # 04



Sanctions Exclusion Endorsement

Policyholder: EDUCATION CORPORATION OF AMERICA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The following exclusion is added to the policy to which it is attached and supersedes any existing sanctions language in the policy, whether included in an Exclusion Section or otherwise:

SANCTIONS EXCLUSION

Notwithstanding any other terms under this policy, we shall not provide coverage nor will we make any payments or provide any service or benefit to any insured, beneficiary, or third party who may have any rights under this policy to the extent that such cover, payment, service, benefit, or any business or activity of the insured would violate any applicable trade or economic sanctions law or regulation.

The term policy may be comprised of common policy terms and conditions, the declarations, notices, schedule, coverage parts, insuring agreement, application, enrollment form, and endorsements or riders, if any, for each coverage provided. Policy may also be referred to as contract or agreement.

We may be referred to as insurer, underwriter, we, us, and our, or as otherwise defined in the policy, and shall mean the company providing the coverage.

Insured may be referred to as policyholder, named insured, covered person, additional insured or claimant, or as otherwise defined in the policy, and shall mean the party, person or entity having defined rights under the policy.

These definitions may be found in various parts of the policy and any applicable riders or endorsements.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

EXHIBIT 5



7 World Trade Center
250 Greenwich Street
37th Floor
New York, NY 10007

October 31, 2018

Courtney Logan
Willis of New York, Inc
One World Financial Ctr
200 Liberty St
New York, NY 10281

RE: Insured Name: Education Corporation Of America

Policy Number: XMF1802431 (the "Policy")

Limit: \$10,000,000 Excess of \$40,000,000

Dear Courtney,

Nationwide is pleased to provide you with the enclosed Education Corporation Of America Policy, with effective dates 09/03/2018 to 09/03/2019, issued by Freedom Specialty Insurance Company (the "Company") to the above captioned insured.

As requested, the Policy has been issued despite the fact that Nationwide has not received all of the Underlying Excess policy(ies)/endorsements.

As you are aware, the binder for this Policy may contain a subjectivity(ies) regarding receipt, review and acceptance of complete copies of the binders for all of the Underlying Excess policies, as well as complete copies of all of the policies themselves. Please forward complete copies of all of the policies to my attention as soon as possible.

The Company fully reserves its rights to amend the Policy in the event that any inconsistencies exist between the binders related to the policies and the policies when issued. In addition, by issuing the Policy, the Company does not waive any rights or defenses it may have in connection with the Policy, nor is it stopped from asserting all or any defenses that may be available to it with regard to the Policy.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

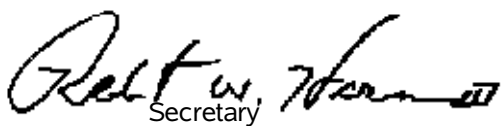
Amit Dave
Director

Enclosures



Underwritten by: Freedom Specialty Insurance Company
Home Office: One Nationwide Plaza • Columbus, Ohio 43215
Administrative Office: 8877 North Gainey Center Drive • Scottsdale, Arizona 85258
1-800-423-7675 • A Stock Company

In Witness Whereof, the Company has caused this policy to be executed and attested.


Secretary


President

The information contained herein replaces any similar information contained elsewhere in the policy.

Underwritten by: Freedom Specialty Insurance Company
 Home Office: One Nationwide Plaza • Columbus, Ohio 43215
 Administrative Office: 8877 North Gainey Center Drive • Scottsdale, Arizona 85258
 1-800-423-7675 • A Stock Company

EXCESS INSURANCE POLICY

DEPENDING UPON THE TERMS OF THE FOLLOWED POLICY, THIS POLICY MAY APPLY ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF APPLICABLE, AND THE LIMIT OF LIABILITY MAY BE REDUCED BY PAYMENT OF DEFENSE COSTS. PLEASE READ AND REVIEW THE POLICY CAREFULLY.

DECLARATIONS

Item 1. Named Insured & Mailing Address EDUCATION CORPORATION OF AMERICA 3660 GRANDVIEW PWKY BIRMINGHAM, AL 35243	Policy No.: XMF1802431 Agent No.: 31405 Renewal No.: XMF1702431			
Item 2. Aggregate Limit of Liability (maximum amount payable by the Insurer under this Policy): \$ 10,000,000				
Item 3. Policy Period: 09/03/2018 to 09/03/2019 12:01 A.M. local time at Named Insured's Mailing Address				
Item 4. Schedule of Underlying Policies : "Followed Policy" means the policy or coverage section identified below in the Schedule of Underlying Policies , as constituted at its inception (unless the Insurer consents to any change thereto by written endorsement to this Policy).				
Followed Policy	Underlying Insurer	Underlying Policy	Limit of Liability	Policy Period
<input checked="" type="checkbox"/>	AIG SPECIALTY INSURANCE COMPANY DEDUCTIBLE/RETENTION:	01-825-10-59	\$10,000,000	09/03/2018-09/03/2019
<input type="checkbox"/>	AS PER PRIMARY			
<input type="checkbox"/>	SEE FORM UTF-358 12-07 FOR COMPLETE SCHEDULE OF UNDERLYING POLICIES			
<input type="checkbox"/>				
"Underlying Limits" means the following amount: \$ 40,000,000				
"Underlying Policies" means all policies or coverage sections of policies identified in the above Schedule of Underlying Policies , as constituted at their inception (unless the Insurer consents to any change thereto by written endorsement to this Policy). "Underlying Insurer" means any insurer identified in the above Schedule of Underlying Policies as issuing an Underlying Policy .				
Item 5. Premium: \$ 48,500 Terrorism Premium: \$ INCLUDED Total Premium: \$ 48,500				
Item 6. Pending and Prior Litigation Date (in accordance with Followed Policy , but date may differ): 11/01/2004 Continuity Date (in accordance with Followed Policy , but date may differ): AS PER FOLLOWED				
Item 7. Endorsements Effective at Inception: SEE SCHEDULE OF FORMS AND ENDORSEMENTS				
Item 8. Notice of Claims to: Nationwide Management Liability & Specialty Attention: Claims Manager 7 World Trade Center, 37th Floor 250 Greenwich Street New York, NY 10007 fsreportclaim@nationwide.com			Other Notices to: Nationwide Management Liability & Specialty Attention: Claims Manager 7 World Trade Center, 37th Floor 250 Greenwich Street New York, NY 10007 fsreportclaim@nationwide.com	

These Declarations, together with the application (as defined in the **Followed Policy**) and any information submitted therewith, the Policy, and any written endorsement(s) attached thereto, shall constitute the contract between the **Insureds** and the **Insurer**.





FREEDOM SPECIALTY
INSURANCE COMPANY®

SCHEDULE OF FORMS AND ENDORSEMENTS

Policy No. XMF1802431 Effective Date: 09/03/2018
12:01 A.M., Standard Time

Named Insured EDUCATION CORPORATION OF AMERICA Agent No. 31405

EXCESS LIABILITY FORMS	
UTF-COVPG 1-17	Cover Page
XMF-D-2 11-16	Excess Insurance Policy Declarations
UTF-SP-2 6-11	Schedule Of Forms And Endorsements
XMF-P-2 7-10	Excess Insurance Policy
UTF-358 12-07	Schedule Of Underlying Policies

ADDITIONAL FORMS

XMF-149 7-10	Excess Policy-Pending Or Prior Litigation
XMF-226 8-17	Non-Follow-Form Endorsement



FREEDOM SPECIALTY
INSURANCE COMPANY®

A Stock Insurance Company, herein called the **Insurer**

EXCESS INSURANCE POLICY

UNLESS OTHERWISE PROVIDED IN THE FOLLOWED POLICY, THIS POLICY APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY SHALL BE REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF DEFENSE COSTS.

In consideration of the payment of the premium and in reliance upon the application (as defined in the **Followed Policy**) and any information submitted therewith, and subject to the Declarations and terms and conditions of this Policy, the persons and entities entitled to coverage under the **Followed Policy** (the "**Insureds**") and the **Insurer** agree as follows:

I. INSURING AGREEMENT

The **Insurer** shall provide insurance coverage excess of the **Underlying Limits** in accordance with the same terms, definitions, conditions, exclusions and limitations as are contained in the **Followed Policy**, except with respect to the premium, the limit of liability and as otherwise provided herein.

II. DEFINITIONS

- A. "**DIC Insurer**" means any insurer which wrote a difference-in-conditions policy excess of this Policy that drops down to pay any amount due under the **Underlying Policies** pursuant to the difference-in-conditions provisions of such policy; provided, however, any such policy issued by such insurer shall not be considered one of the **Underlying Policies**.
- B. "**Financial Insolvency**" means the status of any **Underlying Insurer** being subject to the appointment, by any state, federal or foreign official, agency or court, of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such **Underlying Insurer**.

III. REDUCTION OR EXHAUSTION OF UNDERLYING LIMITS

- A. The **Insurer** shall not provide any coverage under this Policy until the full amount of the **Underlying Limits** has been exhausted through payments by, on behalf of or in the place of the **Underlying Insurers** of amounts covered under the terms of the **Underlying Policies** by any or all of the following:
 - (1) the **Underlying Insurers** under the **Underlying Policies**;
 - (2) the **Insured**; or
 - (3) a **DIC Insurer**, in the event the difference-in-conditions policy written by such **DIC Insurer** drops down to pay any amount due under the **Underlying Policies**.
- B. In the event that the **Underlying Limits** are partially reduced by reason of actual payments as described in Section III.A. above, then subject to the Limit of Liability this Policy shall continue to apply as excess over the reduced **Underlying Limits**.
- C. In the event that the **Underlying Limits** are wholly exhausted by reason of actual payments as described in Section III.A. above (and the full amount of any applicable deductible or uninsured retention has been paid under the **Followed Policy** by the **Insured** or others), then subject to the Limit of Liability this Policy shall continue to apply as primary insurance in accordance with the

terms, definitions, conditions, exclusions and limitations of the **Followed Policy** and the terms, definitions, conditions, exclusions and limitations of this Policy; provided always that this Policy shall only pay excess of such deductible or retention, which shall be applied in the same manner as specified in the **Followed Policy**.

- D. This Policy shall only pay in the event of the reduction or exhaustion of the **Underlying Limits** by reason of actual payments as described in Section **III.A.** above and shall not drop down for any other reason, including but not limited to the existence of any sub-limit in any **Underlying Policy**; provided, however, this Policy will recognize erosion of any of the **Underlying Policies** due to the existence of a sub-limit.
- E. The **Insureds** expressly retain the risk of any gap in coverage or uncollectibility and the **Insurer** does not in any way insure or assume such risk.

IV. CONDITIONS OF COVERAGE

- A. As a condition precedent to this Policy's coverage, in the event of the **Financial Insolvency** of any of the **Underlying Policies** or the reduction or exhaustion of any of the **Underlying Policies**, the **Insureds** shall notify the **Insurer** in writing as soon as practicable thereafter, with full particulars.
- B. If during the **Policy Period** or any discovery or extended reporting period, any terms, definitions, conditions, exclusions and limitations of the **Followed Policy** are changed, this Policy shall not be subject to such change unless the **Insurer** consents by written endorsement to this Policy.



FREEDOM SPECIALTY
INSURANCE COMPANY®

SCHEDULE OF UNDERLYING POLICIES

Policy No. XMF1802431 Effective Date: 09/03/2018
12:01 A.M., Standard Time

Named Insured EDUCATION CORPORATION OF AMERICA Agent No. 31405

Issuing Insurer	Policy Number	Limits of Liability	Attachment
1ST EXCESS: STARR INDEMNITY & LIABILITY COMPANY	1000059620181	\$10,000,000	\$10,000,000
2ND EXCESS: ARGONAUT INSURANCE COMPANY	MLX 7602784-1	\$10,000,000	\$20,000,000
3RD EXCESS: ZURICH AMERICAN INSURANCE COMPANY	MPL 0183905-03	\$10,000,000	\$30,000,000



FREEDOM SPECIALTY
INSURANCE COMPANY®
a Nationwide Insurance® company

**ENDORSEMENT
NO. 1**

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
XMF1802431	09/03/2018	EDUCATION CORPORATION OF AMERICA	31405

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCESS POLICY—PENDING OR PRIOR LITIGATION,
PROCEEDING OR INVESTIGATION EXCLUSION**

In consideration of the premium paid, it is hereby agreed:

- (1) The **Insurer** shall not be liable to pay any amount from any **Claim** based upon, arising out of or attributable to:
 - (a) any litigation pending as of or commenced prior to 11/01/2004 ;
 - (b) any administrative or regulatory proceeding or investigation pending as of or commenced prior to the date stated in (a) above, of which any **Insured** had notice; or
 - (c) the same or essentially the same facts alleged in any such pending or prior litigation, administrative or regulatory proceeding or investigation.
- (2) “**Claim**” has the same meaning in this Policy as in the **Followed Policy**.

All other terms and conditions of this Policy remain unchanged.

AUTHORIZED REPRESENTATIVE

DATE

Underwritten by Freedom Specialty Insurance Company

**ENDORSEMENT
NO.** 2

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
XMF1802431	09/03/2018	EDUCATION CORPORATION OF AMERICA	31405

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NON-FOLLOW-FORM ENDORSEMENT

In consideration of the premium charged, it is hereby understood and agreed that the following is added to the Policy:

This Policy shall not apply to the following coverage(s) named in the **Followed Policy**; it is expressly agreed and understood that this Policy will not recognize erosion of the **Followed Policy** to the extent any loss is paid under the **Followed Policy** pursuant to such coverage grant.

Non-Followed Coverages:

Employment Practices Liability

Fiduciary Liability

All other terms and conditions of this Policy remain unchanged.

AUTHORIZED REPRESENTATIVE

DATE

EXHIBIT 6



 Insurance





XL Catlin - Professional Insurance
100 Constitution Plaza
17th Floor
Hartford, CT 06103
Phone 860-246-1863
Fax 860-246-1899

October 2, 2018

Courtney Logan
Willis
Brookfield Place
200 Liberty Street, 6th Floor
New York, NY 10281

**Re: Education Corporation of America
Classic A Policy**

Dear Courtney,

Enclosed, please find the policy for **Education Corporation of America**. Thank you for choosing XL Insurance. Please call if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matt O'Connell'.

Matt O'Connell

sw

Policy Number: ELU157380-18
Renewal of Number: ELU151663-17

XL Specialty Insurance Company

Members of the XL America Companies

**CORNERSTONE A-SIDE MANAGEMENT
 LIABILITY INSURANCE POLICY
 DECLARATIONS**

Executive Offices
 70 Seaview Avenue
 Stamford, CT 06902-6040
 Telephone 877-953-2636

THIS IS A CLAIMS MADE POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY ONLY APPLIES TO CLAIMS FIRST MADE DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY THE PAYMENT OF DEFENSE EXPENSES. THIS POLICY DOES NOT PROVIDE FOR ANY DUTY BY THE INSURER TO DEFEND ANY INSURED. PLEASE READ AND REVIEW THE POLICY CAREFULLY.

Item 1. Name and Mailing Address of Parent Corporation:

Education Corporation of America
 3660 Grandview Parkway, Suite 300
 Birmingham, AL 35243

Item 2. Policy Period: From: September 03, 2018 **To:** September 03, 2019

At 12:01 A.M. Standard Time at your Mailing Address Shown Above

Item 3. Limit of Liability:

\$10,000,000 Aggregate each **Policy Period** (including **Defense Expenses**)

Item 4. Optional Extension Period and Premium:

Length of Optional Extension Period: One Year
 Optional Extension Premium: \$122,000.00

Item 5. Notices required to be given to the Insurer must be addressed to:

XL Professional Insurance
 100 Constitution Plaza, 17th Floor
 Hartford, CT 06103
 Toll Free Telephone: 877-953-2636

Item 6. Premium:

Premium:	\$61,000.00
Taxes, Surcharges or Fees:	\$0.00
Total Policy Premium:	\$61,000.00

Item 7. Policy Forms and Endorsements Attached at Issuance:

CS 71 00 09 06 XL 82 01 07 07 XL 80 24 03 03 CS 72 20 08 06 CL 83 14 10 03 CS 83 59 10 14
 CS 83 21 05 08 CS 80 195 09 13 Manuscript 19928 09 16 CSX 80 01 10 16

Countersigned: _____ Date _____ By: _____ Authorized Representative


CORNERSTONE A-SIDE MANAGEMENT LIABILITY POLICY

THESE **DECLARATIONS** AND THE POLICY, WITH THE ENDORSEMENTS, ATTACHMENTS, AND THE **APPLICATION** SHALL CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE INSURER AND THE **INSURED** RELATING TO THIS INSURANCE.

In Witness Whereof, the Insurer has caused this Policy to be executed by its authorized officers, but this Policy will not be valid unless countersigned on the Declarations page, if required by law, by a duly authorized representative of the Insurer.



John R. Glancy
President



Kenneth P. Meagher
Secretary

XL Specialty Insurance Company

IN WITNESS

XL SPECIALTY INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-1120
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Insurer.



Joseph Tocco
President



Toni Ann Perkins
Secretary

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE

Coverage for acts of terrorism is already included in your current policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term “act of terrorism” means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your existing coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by federal law. Under this formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. However, your policy may contain other exclusions that may affect your coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers’ liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is: **\$ waived.** Any premium waiver is only valid for the current Policy Period.

I ACKNOWLEDGE THAT I HAVE BEEN NOTIFIED THAT UNDER THE TERRORISM RISK INSURANCE ACT, AS AMENDED, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM UNDER MY POLICY COVERAGE MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT AND I HAVE BEEN NOTIFIED OF THE AMOUNT OF MY PREMIUM ATTRIBUTABLE TO SUCH COVERAGE.

Name of Insurer: **XL Specialty Insurance Company**

Policy Number: **ELU157380-18**

Signature of Insured

Print Name and Title

Date

NOTICE TO POLICYHOLDERS

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Policyholder Notice provides information concerning possible impact on your insurance coverage due to the impact of U.S. Trade Sanctions¹. Please read this Policyholder Notice carefully.

In accordance with the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") regulations, or any other U.S. Trade Sanctions applied by any regulatory body, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law, is a Specially Designated National and Blocked Person ("SDN"), or is owned or controlled by an SDN, this insurance will be considered a blocked or frozen contract. When an insurance policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

¹ "U.S Trade Sanctions" may be promulgated by Executive Order, act of Congress, regulations from the U.S. Departments of State, Treasury, or Commerce, regulations from the State Insurance Departments, etc.

NOTICE TO POLICYHOLDERS

PRIVACY POLICY

The XL Catlin insurance group (the “Companies”), believes personal information that we collect about our customers, potential customers, and proposed insureds (referred to collectively in this Privacy Policy as “customers”) must be treated with the highest degree of confidentiality. For this reason and in compliance with the Title V of the Gramm-Leach-Bliley Act (“GLBA”), we have developed a Privacy Policy that applies to all of our companies. For purposes of our Privacy Policy, the term “personal information” includes all information we obtain about a customer and maintain in a personally identifiable way. In order to assure the confidentiality of the personal information we collect and in order to comply with applicable laws, all individuals with access to personal information about our customers are required to follow this policy.

Our Privacy Promise

Your privacy and the confidentiality of your business records are important to us. Information and the analysis of information is essential to the business of insurance and critical to our ability to provide to you excellent, cost-effective service and products. We understand that gaining and keeping your trust depends upon the security and integrity of our records concerning you. Accordingly, we promise that:

1. We will follow strict standards of security and confidentiality to protect any information you share with us or information that we receive about you;
2. We will verify and exchange information regarding your credit and financial status only for the purposes of underwriting, policy administration, or risk management and only with reputable references and clearinghouse services;
3. We will not collect and use information about you and your business other than the minimum amount of information necessary to advise you about and deliver to you excellent service and products and to administer our business;
4. We will train our employees to handle information about you or your business in a secure and confidential manner and only permit employees authorized to use such information to have access to such information;
5. We will not disclose information about you or your business to any organization outside the XL Catlin insurance group of Companies or to third party service providers unless we disclose to you our intent to do so or we are required to do so by law;
6. We will not disclose medical information about you, your employees, or any claimants under any policy of insurance, unless you provide us with written authorization to do so, or unless the disclosure is for any specific business exception provided in the law;
7. We will attempt, with your help, to keep our records regarding you and your business complete and accurate, and will advise you how and where to access your account information (unless prohibited by law), and will advise you how to correct errors or make changes to that information; and
8. We will audit and assess our operations, personnel and third party service providers to assure that your privacy is respected.

Collection and Sources of Information

We collect from a customer or potential customer only the personal information that is necessary for (a) determining eligibility for the product or service sought by the customer, (b) administering the product or service obtained, and (c) advising the customer about our products and services. The information we collect generally comes from the following sources:

- Submission – During the submission process, you provide us with information about you and your business, such as your name, address, phone number, e-mail address, and other types of personal identification information;
- Quotes – We collect information to enable us to determine your eligibility for the particular insurance product and to determine the cost of such insurance to you. The information we collect will vary with the type of insurance you seek;

NOTICE TO POLICYHOLDERS

- Transactions – We will maintain records of all transactions with us, our affiliates, and our third party service providers, including your insurance coverage selections, premiums, billing and payment information, claims history, and other information related to your account;
- Claims – If you obtain insurance from us, we will maintain records related to any claims that may be made under your policies. The investigation of a claim necessarily involves collection of a broad range of information about many issues, some of which does not directly involve you. We will share with you any facts that we collect about your claim unless we are prohibited by law from doing so. The process of claim investigation, evaluation, and settlement also involves, however, the collection of advice, opinions, and comments from many people, including attorneys and experts, to aid the claim specialist in determining how best to handle your claim. In order to protect the legal and transactional confidentiality and privileges associated with such opinions, comments and advice, we will not disclose this information to you; and
- Credit and Financial Reports – We may receive information about you and your business regarding your credit. We use this information to verify information you provide during the submission and quote processes and to help underwrite and provide to you the most accurate and cost-effective insurance quote we can provide.

Retention and Correction of Personal Information

We retain personal information only as long as required by our business practices and applicable law. If we become aware that an item of personal information may be materially inaccurate, we will make reasonable effort to re-verify its accuracy and correct any error as appropriate.

Storage of Personal Information

We have in place safeguards to protect data and paper files containing personal information.

Sharing/Disclosing of Personal Information

We maintain procedures to assure that we do not share personal information with an unaffiliated third party for marketing purposes unless such sharing is permitted by law. Personal information may be disclosed to an unaffiliated third party for necessary servicing of the product or service or for other normal business transactions as permitted by law.

We do not disclose personal information to an unaffiliated third party for servicing purposes or joint marketing purposes unless a contract containing a confidentiality/non-disclosure provision has been signed by us and the third party. Unless a consumer consents, we do not disclose “consumer credit report” type information obtained from an application or a credit report regarding a customer who applies for a financial product to any unaffiliated third party for the purpose of serving as a factor in establishing a consumer’s eligibility for credit, insurance or employment. “Consumer credit report type information” means such things as net worth, credit worthiness, lifestyle information (piloting, skydiving, etc.) solvency, etc. We also do not disclose to any unaffiliated third party a policy or account number for use in marketing. We may share with our affiliated companies information that relates to our experience and transactions with the customer.

Policy for Personal Information Relating to Nonpublic Personal Health Information

We do not disclose nonpublic personal health information about a customer unless an authorization is obtained from the customer whose nonpublic personal information is sought to be disclosed. However, an authorization shall not be prohibited, restricted or required for the disclosure of certain insurance functions, including, but not limited to, claims administration, claims adjustment and management, detection, investigation or reporting of actual or potential fraud, misrepresentation or criminal activity, underwriting, policy placement or issuance, loss control and/or auditing.

NOTICE TO POLICYHOLDERS

Access to Your Information

Our employees, employees of our affiliated companies, and third party service providers will have access to information we collect about you and your business as is necessary to effect transactions with you. We may also disclose information about you to the following categories of person or entities:

- Your independent insurance agent or broker;
- An independent claim adjuster or investigator, or an attorney or expert involved in the claim;
- Persons or organizations that conduct scientific studies, including actuaries and accountants;
- An insurance support organization;
- Another insurer if to prevent fraud or to properly underwrite a risk;
- A state insurance department or other governmental agency, if required by federal, state or local laws; or
- Any persons entitled to receive information as ordered by a summons, court order, search warrant, or subpoena.

Violation of the Privacy Policy

Any person violating the Privacy Policy will be subject to discipline, up to and including termination.

For more information or to address questions regarding this privacy statement, please contact your broker.

NOTICE TO POLICYHOLDERS

FRAUD NOTICE

Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Colorado	It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
District of Columbia	WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.
Florida	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
Kansas	A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
Louisiana	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Maine	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits.
Maryland	Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
New Mexico	ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

NOTICE TO POLICYHOLDERS

New York	<p>General: All applications for commercial insurance, other than automobile insurance: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.</p> <p>All applications for automobile insurance and all claim forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.</p> <p>Fire: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.</p> <p>The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.</p>
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.
Pennsylvania	<p>All Commercial Insurance, Except As Provided for Automobile Insurance: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.</p> <p>Automobile Insurance: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.</p>
Puerto Rico	Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

NOTICE TO POLICYHOLDERS

Rhode Island	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Tennessee	<p>All Commercial Insurance, Except As Provided for Workers' Compensation It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.</p> <p>Workers' Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.</p>
Utah	Workers' Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.
Virginia	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
Washington	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
West Virginia	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
All Other States	Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

Endorsement No.: 1
Named Insured: Education Corporation of America
Policy No.: ELU157380-18

Effective: September 03, 2018
12:01 A.M. Standard Time
Insurer: XL Specialty Insurance Company

CHANGE OF PREAMBLE ENDORSEMENT

The preamble to this Policy is amended to read in its entirety as follows:

In consideration of the payment of the premium, and in reliance on all statements made and information furnished to the Insurer identified in the Declarations (hereinafter the Insurer) including the Application and subject to all of the terms, conditions and limitations of all of the provisions of this Policy, the Insurer, the Insured Persons and the Company agree as follows:

All other terms, conditions and limitations of this Policy shall remain unchanged.

Endorsement No.: 2
Named Insured: Education Corporation of America
Policy No.: ELU157380-18

Effective: September 03, 2018
12:01 A.M. Standard Time
Insurer: XL Specialty Insurance Company

TERRORISM PREMIUM ENDORSEMENT

Please note: The portion of your annual premium set forth in Item 6. of the Declarations that is attributable to coverage for acts of terrorism is: \$ waived.

All other terms, conditions and limitations of this Policy shall remain unchanged.

Endorsement No.: 3
Named Insured: Education Corporation of America
Policy No.: ELU157380-18

Effective: September 03, 2018
12:01 A.M. Standard Time
Insurer: XL Specialty Insurance Company

ALABAMA AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

CORNERSTONE A-SIDE MANAGEMENT LIABILITY INSURANCE COVERAGE FORM

1. Section IV. CONDITIONS (I) Cancellation and Renewal of Coverage (1) is amended by the addition of the following:

The customary short rate return premium shall be calculated by multiplying the pro rata unearned premium by ninety percent (90%).

2. Section IV. CONDITIONS (K) Representation Clause amended by the addition of following:

Provided, however, misrepresentations, omissions, concealment of facts and incorrect statements shall not prevent recovery for Loss under this Policy unless they are either:

- (1) fraudulent; or
- (2) material either to the acceptance of the risk, or to the hazard assumed by the Insurer; or
- (3) the Insurer would in good faith either not have issued this Policy, or would not have issued it in as large an amount, or would not have provided coverage for the hazard resulting in the Loss, if the true facts had been made known to the Insurer as required by the Application, this Policy or otherwise.

All other terms, conditions and limitations of this Policy shall remain unchanged.

Endorsement No.: 4
Named Insured: Education Corporation of America
Policy No.: ELU157380-18

Effective: September 03, 2018
12:01 A.M. Standard Time
Insurer: XL Specialty Insurance Company

PENDING AND/OR PRIOR LITIGATION EXCLUSION

In consideration of the premium charged, no coverage will be available under this Policy for Claims 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, underlying or alleged in any prior and/or pending litigation or administrative or regulatory proceeding or arbitration which was brought prior to November 01, 2011.

All other terms, conditions and limitations of this Policy shall remain unchanged.

Endorsement No.: 5
Named Insured: Education Corporation of America
Policy No.: ELU157380-18

Effective: September 03, 2018
12:01 A.M. Standard Time
Insurer: XL Specialty Insurance Company

DELETE EXCLUSION ENDORSEMENT

In consideration of the premium charged, Section III Exclusions (B)(1) of the Policy is deleted in its entirety.

All other terms, conditions and limitations of this Policy shall remain unchanged.

Endorsement No.: 6
Named Insured: Education Corporation of America
Policy No.: ELU157380-18

Effective: September 03, 2018
12:01 A.M. Standard Time
Insurer: XL Specialty Insurance Company

DELETE EXCLUSION (A)(1) ENDORSEMENT

In consideration of the premium charged:

- (1) Section III Exclusion (A)(1) of the Policy is deleted in its entirety.
- (2) It is understood and agreed by the Company and each Insured Person that the Company agrees to fulfill its obligation, if any, to indemnify the Insured Persons and/or advance Defense Expenses. If the Insurer pays under this Policy any indemnification or advancement owed to any Insured Person by any entity included within the definition of Company, then such entity shall reimburse the Insurer for such amounts and such amounts shall become immediately due and payable as a direct obligation of the Company to the Insurer.

All other terms, conditions and limitations of this Policy shall remain unchanged.

Endorsement No.: 7
Named Insured: Education Corporation of America
Policy No.: ELU157380-18

Effective: September 03, 2018
12:01 A.M. Standard Time
Insurer: XL Specialty Insurance Company

AMEND NOTICE OF CLAIM ENDORSEMENT

In consideration of the premium charged, Section IV Conditions (D)(1) of the Policy is amended to read in its entirety as follows:

- “(1) As a condition precedent to any right to payment under this Policy with respect to any Claim, the Insured Persons or the Company shall give written notice to the Insurer of any Claim as soon as practicable after it is first made and the Chief Executive Officer or Risk Manager of the Parent Company first becomes aware of such Claim.”

All other terms, conditions and limitations of this Policy shall remain unchanged.

Endorsement No.: 8
Named Insured: Education Corporation of America
Policy No.: ELU157380-18

Effective: September 03, 2018
12:01 A.M. Standard Time
Insurer: XL Specialty Insurance Company

AMEND INSURING AGREEMENT ENDORSEMENT

In consideration of the premium charged:

(1) Section I Insuring Agreement of the Policy is amended to read in its entirety as follows:

"I. INSURING AGREEMENT

The Insurer will pay on behalf of the Insured Persons Loss resulting from a Claim first made against the Insured Persons during the Policy Period or, if applicable, the Optional Extension Period, for a Wrongful Act, except to the extent that such Loss is paid by any other Insurance Program or as indemnification or advancement from any source. In the event that Loss is not paid by such other insurance or as indemnification or advancement, this Policy will respond on behalf of the Insured Persons as if it were primary, subject to all of its terms, conditions (including, but not limited to, CONDITION (B)) and limitations and without prejudice to the Insurer's excess position except for any insurance coverage maintained by or indemnification available from any shareholder of the Company or any private equity or other investment firm affiliated with the Company or such shareholder including, but not limited to, Willis Stein Partners. "

(2) Section IV Conditions (B)(1) of the Policy is amended to read in its entirety as follows:

"(1) The Insured Persons and the Company understand and agree that all coverage under this Policy shall be specifically excess over, and shall not contribute with all other insurance and indemnification to which an Insured Person is entitled. However, if Loss is not paid by another insurer or as indemnification from any entity within sixty (60) days of the date on which such other insurer(s) or entity first received a written request for such insurance or indemnification, this Policy will respond on behalf of the Insured Persons as if it were primary, subject to all of its terms, conditions and limitations and without prejudice to the Insurer's excess position. By so responding, the insurer does not waive, compromise or release its right to recover Loss paid under this policy from the insurers of any other insurance under which coverage maybe owed, or from any person or entity from which an Insured Person is entitled to indemnification.

Notwithstanding this foregoing to the contrary, in no event shall this Policy be excess of:

- (a) Any personal liability policy maintained by an Insured Person; or
- (b) Any insurance coverage maintained by or indemnification available from any shareholder of the Company or any private equity or other investment firm affiliated with the Company or such shareholder including, but not limited to, Willis Stein Partners."

All other terms, conditions and limitations of this Policy shall remain unchanged.

Endorsement No.: 9
Named Insured: Education Corporation of America
Policy No.: ELU157380-18

Effective: September 03, 2018
12:01 A.M. Standard Time
Insurer: XL Specialty Insurance Company

LIBERALIZATION ENDORSEMENT

In consideration of the premium charged:

- (1) Coverage in respect of any Claim first made against the Insured Persons during the Policy Period will apply in conformance with, and subject to, all of the terms, conditions and limitations of and exclusions from coverage contained in this Policy, except to the extent that the terms, conditions and limitations of and exclusions from coverage contained in the Insurance Program and any other policy specifically excess thereof are more favorable to the Insured Persons with respect to such Claim, in which case the terms, conditions and limitations of and exclusions from coverage contained in this Policy will, except as set forth in this endorsement, be deemed to have been amended or deleted as necessary to afford coverage in respect of such Claim in accordance with those terms, conditions and limitations of and exclusions from coverage contained in the Insurance Program and any other policy specifically excess thereof that are more favorable to the Insured Person with respect to such Claim. The first sentence of Section IV. CONDITIONS (B)(2) of this Policy will be deemed to have been amended as necessary to effect the foregoing.
- (2) Notwithstanding paragraph (1) above:
 - (a) the Policy Period will continue to be the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations or to any earlier cancellation date;
 - (b) the amount set forth in ITEM 3 of the Declarations of this Policy will continue to be the maximum aggregate limit of liability of the Insurer under this Policy;
 - (c) if any coinsurance percentage is applicable to Loss payable under this Policy, such coinsurance percentage will continue to apply in accordance with its terms;
 - (d) Section I. Insuring Agreement of the Policy will continue to apply in accordance with its terms;
 - (e) it is agreed and understood that this endorsement is not extending coverage to the Entity;
 - (f) notices and payments of additional premium required under this Policy must still be given to the Insurer at the address set forth in ITEM 5 of the Declarations;
 - (g) Section IV. CONDITIONS (B)(1) and the second sentence of Section IV. CONDITIONS (B)(2) of this Policy will continue to apply in accordance with their terms;
 - (h) in the event of any payment under this Policy, the Insurer will continue to be subrogated to all of the potential or actual rights of recovery of the Insured Persons therefor, including any such rights of recovery against the Company or any Outside Entity; and
 - (i) coverage will continue to be subject to any endorsements set forth below:

N/A

All other terms, conditions and limitations of this Policy shall remain unchanged.

CORNERSTONE A-SIDE MANAGEMENT LIABILITY INSURANCE COVERAGE FORM

THIS IS A CLAIMS MADE POLICY WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ AND REVIEW THE POLICY CAREFULLY.

In consideration of the payment of the premium, and in reliance on all statements made and information furnished to Executive Liability Underwriters, the Underwriting Manager for the Insurer identified on the Declarations Page (hereinafter, the “Insurer”) including the Application and subject to all of the terms, conditions and limitations of all the provisions of this Policy, the Insurer, the Insured Persons and the Company agree as follows:

I. INSURING AGREEMENT

The Insurer will pay on behalf of the **Insured Persons Loss** resulting from a **Claim** first made against the **Insured Persons** during the **Policy Period** or, if applicable, the Optional Extension Period, for a **Wrongful Act**, except to the extent that such **Loss** is paid by any other **Insurance Program** or as indemnification or advancement from any source. In the event that **Loss** is not paid by such other insurance or as indemnification or advancement, this Policy will respond on behalf of the **Insured Persons** as if it were primary, subject to all of its terms, conditions (including, but not limited to, CONDITION (B)) and limitations and without prejudice to the Insurer’s excess position.

II. DEFINITIONS

- (A) “**Application**” means:
- (1) the **Application** attached to and forming part of this Policy; and
 - (2) any materials submitted therewith, which shall be retained on file by the Insurer and shall be deemed to be physically attached to this Policy.
- (B) “**Change In Control**” means:
- (1) the merger or acquisition of the **Parent Company**, or of all or substantially all of its assets, by another entity such that the **Parent Company** is not the surviving entity;
 - (2) the acquisition by any person, entity, or affiliated group or persons or entities of the right to vote for, select, or appoint more than fifty percent (50%) of the directors of the **Parent Company**; or
 - (3) the court appointment of any person or entity with authority comparable to that of the **Insured Persons**, as defined in DEFINITION (I)(1), to liquidate or reorganize the **Parent Company**.
- (C) “**Claim**” means:
- (1) a written demand for monetary or non-monetary relief;
 - (2) any civil or criminal judicial proceeding in a court of law or equity, arbitration or other alternative dispute resolution; or
 - (3) a formal civil, criminal, administrative, or regulatory proceeding or formal investigation.
- (D) “**Company**” means the **Parent Company** and any **Subsidiary** created or acquired on or before the Inception Date set forth in ITEM 2 of the Declarations or during the **Policy Period**, subject to CONDITION (C).
- (E) “**Defense Expenses**” means reasonable legal fees and expenses incurred in the defense or investigation of any **Claim**. **Defense Expenses** will not include the **Company’s** overhead expenses or any salaries, wages, fees, or benefits of its directors, officers, or employees.
- (F) “**Employment Practices Claim**” means a **Claim** alleging an **Employment Practices Wrongful Act**.

- (G) **“Employment Practices Wrongful Act”** means any actual or alleged:
- (1) wrongful termination of employment whether actual or constructive;
 - (2) employment discrimination of any kind;
 - (3) sexual or other harassment in the workplace; or
 - (4) wrongful deprivation of career opportunity, employment-related misrepresentation, retaliatory treatment against an employee of the **Company**, failure to promote, demotion, wrongful discipline or evaluation, or refusal to hire.
- (H) **“Insurance Program”** means
- (1) any existing Management Liability insurance, Directors’ and Officers’ Liability insurance, or similar insurance; and
 - (2) any other existing insurance under which coverage may be owed.
- (I) **“Insured Person”** means:
- (1) any past, present, or future director or officer, general counsel, or member of the Board of Managers of the **Company** and any person serving in a functionally equivalent role for the **Parent Company** or any **Subsidiary** operating or incorporated outside the United States; and
 - (2) the lawful spouse of any person set forth in DEFINITION (I)(1), but only to the extent the spouse is a party to any **Claim** solely in his or her capacity as a spouse of such person and only for the purposes of any **Claim** seeking damages recoverable from marital community property, property jointly held by any such person and his or her spouse, or property transferred from any such person to his or her spouse.

In the event of the death, incapacity or bankruptcy of an **Insured Person**, any **Claim** against the estate, heirs, legal representatives or assigns of such **Insured Person** will be deemed to be a **Claim** against such **Insured Person**.

- (J) **“Interrelated Wrongful Acts”** means **Wrongful Acts** based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any of the same or related, or series of related, facts, circumstances, situations, transactions, or events.
- (K) **“Loss”** means damages, judgments, settlements or other amounts (including pre- & post-judgment interest, punitive or exemplary damages, or the multiplied portion of any damage award, where insurable by law) and **Defense Expenses** that the **Insured Persons** are obligated to pay. **Loss** will not include:
- (1) matters which are uninsurable under the law pursuant to which this Policy is construed; or
 - (2) fines, penalties or taxes imposed by law; provided, that this DEFINITION (K)(2) will not apply to fines, penalties or taxes that an **Insured Person** is obligated to pay if such fines, penalties or taxes are insurable by law and are imposed in connection with such **Insured Person’s** service with respect to an entity included within the definition of **Company** that is financially insolvent.

Note: With respect to coverage for punitive, exemplary or multiplied damages or fines, penalties or taxes, the law of the applicable jurisdiction most favorable to the insurability of such amounts shall control.

- (L) **“Outside Capacity Wrongful Act”** means any actual or alleged act, error, or omission, misstatement, misleading statement, neglect, or breach of duty by any **Insured Person**, as defined in DEFINITION (I)(1), while acting in his or her capacity as a director, officer, trustee, regent, or governor of any **Outside Entity**, if serving in such capacity at the specific request of the **Company**.

- (M) “**Outside Entity**” means any corporation or organization other than the **Company** of which any **Insured Person**, as defined in DEFINITION (I)(1), serves as a director, officer, trustee, regent, or governor, but only if such service is at the specific request of the **Company**.
- (N) “**Parent Company**” means the entity named in ITEM 1 of the Declarations.
- (O) “**Policy Period**” means the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations or to any earlier cancellation date.
- (P) “**Subsidiary**” means any entity during any time in which the **Parent Company** owns, directly or through one or more **Subsidiary(ies)**, more than fifty percent (50%) of the outstanding securities representing the right to vote for the election of such entity’s directors.
- (Q) “**Wrongful Act**” means:
 - (1) any actual or alleged act, error, or omission, misstatement, misleading statement, neglect, or breach of duty by any **Insured Person**, as defined in DEFINITION (I)(1), while acting in his or her capacity as a director, officer, general counsel, or member of the Board of Managers of the **Company** or a functionally equivalent role for the **Parent Company** or any **Subsidiary** operating or incorporated outside the United States;
 - (2) any matter asserted against an **Insured Person** solely by reason of his or her status as a director, officer, general counsel, or member of the Board of Managers of the **Company**;
 - (3) any **Employment Practices Wrongful Act**; and
 - (4) any **Outside Capacity Wrongful Act**.

III. EXCLUSIONS

- (A) Except for **Defense Expenses**, the Insurer shall not pay **Loss** in connection with any **Claim**:
 - (1) brought by or on behalf of, or at the direction of, the **Company** or, with respect to any **Claim** for an **Outside Capacity Wrongful Act**, an **Outside Entity**, except and to the extent such **Claim**:
 - (a) is brought and maintained by a security holder of the **Company** or such **Outside Entity**, but only if such security holder is acting independently of, and without the solicitation, assistance, participation or intervention of, the **Company**, any **Insured Person**, or any **Outside Entity**;
 - (b) is brought by the Bankruptcy Trustee or Examiner of the **Company** or such **Outside Entity**, or any assignee of such Trustee or Examiner, or any Receiver, Conservator, Rehabilitator, or Liquidator or comparable authority of the **Company** or such **Outside Entity**;
 - (c) is brought and maintained in a non-common law jurisdiction outside the United States of America or its territories or possessions; or
 - (d) is made after the **Parent Company** has undergone a **Change of Control**; or
 - (2) brought about or contributed to in fact by any:
 - (a) intentionally dishonest, fraudulent, or criminal act or omission or any willful violation of any statute, rule, or law; or
 - (b) profit or remuneration gained by any **Insured Person** to which such **Insured Person** is not legally entitled;
- as determined by a final adjudication in the underlying action.

- (B) The Insurer shall not be liable to make any payment for **Loss** in connection with any **Claim**:

- (1) for any actual or alleged bodily injury, sickness, mental anguish, emotional distress, defamation, slander, libel, disease or death of any person, or damage or destruction of any tangible property including **Loss** of use thereof; provided, that this EXCLUSION (B)(1) shall not apply to any **Claim**:
 - (a) brought by a security holder of the **Company** or, with respect to any **Claim** for an **Outside Capacity Wrongful Act**, an **Outside Entity** for any actual or alleged violation of the Securities Act of 1933, the Securities Act of 1934, or any state securities statute; or
 - (b) in the form of a derivative action, but only if such **Claim** is brought by or on behalf of, or in the name or right of, the **Company** or, with respect to any **Claim** for an **Outside Capacity Wrongful Act**, an **Outside Entity** and is brought and maintained independently of, and without the solicitation, assistance, participation or intervention of the **Company**, any **Insured Person**, or any **Outside Entity**; or
- (2) 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** which, before the Inception Date of this Policy, was the subject of any notice given under any other Management Liability insurance, Directors' and Officers' insurance, or other similar insurance.

Note: EXCLUSION (B)(1) will not apply to any allegation of libel, slander, defamation, mental anguish or emotional distress if and only to the extent that such allegations are made as part of an **Employment Practices Claim** for an **Employment Practices Wrongful Act**.

No **Wrongful Act** of any **Insured Person** will be imputed to any other **Insured Person** to determine the application of any of the above EXCLUSIONS.

IV. CONDITIONS

(A) Limit of Liability

The amount set forth in ITEM 3 of the Declarations shall be the maximum aggregate Limit of Liability of the Insurer under this Policy. Payment of **Loss**, including **Defense Expenses**, by the Insurer shall reduce the Limit of Liability.

(B) Indemnification and Other Insurance

- (1) The **Insured Persons** and the **Company** understand and agree that all coverage under this Policy shall be specifically excess over, and shall not contribute with:
 - (a) all indemnification and advancement to which an **Insured Person** may be entitled from any source, including but not limited to the **Company** or any **Outside Entity**; and
 - (b) any **Insurance Program** maintained by the **Company** or any **Outside Entity**, whether such other insurance is stated to be primary, contributing, excess or otherwise.

However, if **Loss** is not paid by such other insurance or as indemnification or advancement, this Policy will respond on behalf of the **Insured Persons** as if it were primary, subject to all of its terms, conditions and limitations and without prejudice to the Insurer's excess position.

- (2) This Policy shall not be subject to the terms or conditions of any other insurance. The Insurer does not waive, compromise or release any of its rights to recover **Loss** paid under this Policy from the issuers of any other insurance under which coverage may be owed, or from any person or entity from which an **Insured Person** is entitled to indemnification or advancement, including the **Company** and any **Outside Entity**.

(C) Mergers and Acquisitions

- (1) If, during the **Policy Period**, the **Company** acquires any assets, acquires a **Subsidiary**, or acquires any entity by merger, consolidation or otherwise, or assumes any liability of another entity, coverage

shall be provided for any **Loss** involving a **Claim** for a **Wrongful Act** occurring after the consummation of the transaction.

- (2) With respect to the acquisition, assumption, merger, consolidation or other of any entity, asset, **Subsidiary** or liability as described in CONDITION (C)(1) above, there will be no coverage available under this Policy for any **Claim** made against any **Insured Person** for any **Wrongful Act** in connection with the acquired, assumed, merged, or consolidated entity, asset, **Subsidiary** or liability committed at any time during which such entity, asset, **Subsidiary** or liability is not included within the definition of "**Company**."
- (3) If, during the **Policy Period**, any entity ceases to be a **Subsidiary**, the coverage provided under this Policy shall continue to apply to the **Insured Persons** who because of their service with such **Subsidiary** were covered under this Policy but only with respect to a **Claim** for a **Wrongful Act** that occurred or allegedly occurred prior to the time such **Subsidiary** ceased to be a **Subsidiary** of the **Company**.
- (4) If, during the **Policy Period**, there is a **Change In Control**, the coverage provided under this Policy shall continue to apply but only with respect to a **Claim** for a **Wrongful Act** committed or allegedly committed prior to the time of the **Change In Control**, and
 - (a) coverage will cease with respect to any **Claim** for a **Wrongful Act** committed subsequent to the **Change In Control**; and
 - (b) the entire premium for the Policy will be deemed to be fully earned immediately upon the consummation of a **Change In Control**.

(D) **Notice**

- (1) As a condition precedent to any right to payment under this policy with respect to any **Claim**, the **Insured Persons** or the **Company** shall give written notice to the Insurer of any **Claim** as soon as practicable after it is first made.
- (2) If, during the **Policy Period**, the **Insured Persons** first becomes aware of a specific **Wrongful Act** and if, during the **Policy Period**, the **Insured Persons** or the **Company**:
 - (a) provide the Insurer with written notice of the specific **Wrongful Act**, the consequences which have resulted or may result therefrom (including but not limited to actual or potential damages), the identities of the potential claimants, and the circumstances by which the **Insured Persons** first became aware of such **Wrongful Act**; and
 - (b) request coverage under this Policy for any subsequently resulting **Claim** for such **Wrongful Act**;

then any **Claim** subsequently made arising out of such **Wrongful Act** will be treated as if it had been first made during the **Policy Period**.

All notices under CONDITIONS (D) (1) and (2) must be sent by certified mail or the equivalent to the address set forth in ITEM 5 of the Declarations; Attention: Claim Department.

(E) **Defense and Settlement of Claims**

- (1) It shall be the duty of the **Insured Persons** and not the duty of the Insurer to defend **Claims**. No **Insured Person** may incur any **Defense Expenses** or admit liability for, make any settlement offer with respect to, or settle any **Claim** without the Insurer's consent, such consent not to be unreasonably withheld.
- (2) Upon written request, the Insurer will pay on a current basis any covered **Defense Expenses** before the disposition of the **Claim** for which this Policy provides coverage. In the event of such advancement, the **Insured Persons** agree that they shall repay the Insurer, severally according to

their interests, any **Loss**, including **Defense Expenses**, paid to or on behalf of the **Insured Persons** if it is finally determined that the **Loss** incurred is not covered under this Policy.

- (3) Except for such **Defense Expenses**, the Insurer shall pay **Loss** only upon the final disposition of any **Claim**.

(F) **Assistance, Cooperation and Subrogation**

- (1) The **Insured Persons** and the **Company** agree to provide the Insurer with all information, assistance and cooperation that the Insurer may reasonably request, and further agree that they will do nothing which in any way increases the Insurer's exposure under this Policy or in any way prejudices the Insurer's potential or actual rights of recovery.
- (2) In the event of any payment under this Policy, the Insurer shall be subrogated to all of the potential or actual rights of recovery of the **Insured Persons**, including any such rights of recovery against the **Company** or any **Outside Entity**. The **Insured Persons** shall execute all papers required and will do everything necessary to secure such rights including but not limited to the execution of such documents as are necessary to enable the Insurer to effectively bring suit in their name, and will provide all other assistance and cooperation which the Insurer may reasonably require.

(G) **Interrelated Claims**

All **Claims** arising from **Interrelated Wrongful Acts** shall be deemed to constitute a single **Claim** and shall be deemed to have been made at the earliest time at which the earliest such **Claim** is made or deemed to have been made pursuant to CONDITION (D)(1) or (2) above, if applicable.

(H) **Exhaustion**

If the Insurer's Limit of Liability as set forth in ITEM 3 of the Declarations is exhausted by the payment of **Loss**, the premium as set forth in ITEM 6 of the Declarations will be fully earned, all obligations of the Insurer under this Policy will be completely fulfilled and exhausted, and the Insurer will have no further obligations of any kind whatsoever under this Policy.

(I) **Cancellation and Renewal of Coverage**

- (1) The Chairman of the Board of Directors and the Chief Executive Officer of the **Parent Company** shall have the exclusive right to cancel this Policy on behalf of the **Insured Persons**. Such cancellation may be effected by mailing to the Insurer written notice stating when such cancellation shall be effective, provided the date of cancellation is not later than the Expiration Date set forth in ITEM 2 of the Declarations. In such event, the Insurer shall retain the customary short rate portion of the earned premium. Return or tender of the unearned premium is not a condition of cancellation.
- (2) The Insurer may cancel this Policy only for nonpayment of premium. The Insurer will provide not less than twenty (20) days written notice stating the reason for cancellation and when the Policy will be canceled. Notice of cancellation will be sent to the **Parent Company** and the agent of record for the **Insured Persons**, if applicable.
- (3) The Insurer is under no obligation to renew this Policy upon its expiration. Once the Insurer chooses to non-renew this Policy, the Insurer will deliver or mail to the **Parent Company** written notice stating such at least sixty (60) days before the Expiration Date set forth in ITEM 2 of the Declarations.
- (4) The Insurer shall not be entitled under any circumstances to rescind this Policy, other than for non-payment of premium.

(J) **Optional Extension Period**

- (1) If either the **Insured Persons** or the Insurer does not renew this Policy, the **Insured Persons** shall have the right, upon payment of the additional premium set forth in ITEM 4 of the Declarations, to an extension of the coverage provided by this Policy with respect only to any **Claim** first made during the

period of time set forth in ITEM 4 of the Declarations after the Policy Expiration Date, but only with respect to a **Wrongful Act** occurring prior to the Policy Expiration Date.

- (2) As a condition precedent to the right to purchase the Optional Extension Period the total premium for this Policy must have been paid in full. The right of the **Insured Persons** to purchase the Optional Extension Period will be immediately terminated if the Insurer does not receive written notice by the **Insured Persons** advising they wish to purchase the Optional Extension Period together with full payment of the premium for the Optional Extension Period within thirty (30) days after the Policy Expiration Date.
- (3) If the **Insured Persons** elect to purchase the Optional Extension Period as set forth in CONDITIONS (J)(1) and (2) above, the entire premium for the Optional Extension Period will be deemed to be fully earned at the Inception Date for the Optional Extension Period.
- (4) The purchase of the Optional Extension Period will not in any way increase the Limit of Liability set forth in ITEM 3 of the Declarations, and the Limit of Liability with respect to **Claims** made during the Optional Extension Period shall be part of and not in addition to the Limit of Liability for all **Claims** made during the **Policy Period**.

(K) **Representation Clause**

The **Application** for coverage shall be construed as a separate **Application** for coverage for each **Insured Person**. Each **Insured Person** represents that, to the best of his or her knowledge, the statements and particulars contained in the **Application** are true, accurate and complete, and each **Insured Person** agrees that this Policy is issued in reliance on the truth of that representation and that such particulars and statements, which are deemed to be incorporated into and constitute a part of this Policy, are the basis of this Policy. In the event that any statements and particulars contained in the **Application** are untrue, inaccurate or incomplete, this Policy will be void with respect to any **Insured Person** who had actual knowledge as of the Inception Date of facts or information that were not accurately or completely disclosed as required in the **Application**. No knowledge or information possessed by any **Insured Person** will be imputed to any other **Insured Person** for the purposes of determining the availability of coverage with respect to **Claims** made against such other **Insured Person**.

(L) **Action Against the Insurer, Assignment, and Changes to Policy**

- (1) No action may be taken against the Insurer unless, as a condition precedent thereto:
 - (a) there has been full compliance with all of the terms and conditions of this Policy; and
 - (b) the amount of the obligation of the **Insured Person** has been finally determined either by judgment against the **Insured Person** after actual trial, or by written agreement of the **Insured Person**, the claimant and the Insurer.
- (2) Nothing contained herein shall give any person or entity any right to join the Insurer as a party to any **Claim** against the **Insured Persons** to determine their liability, nor may the **Insured Persons** implead the Insurer in any **Claim**.
- (3) Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed hereon.
- (4) Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the Insurer will not cause a waiver or change in any part of this Policy or prevent the Insurer from asserting any right under the terms, conditions and limitations of this Policy. The terms, conditions and limitations of this Policy may only be waived or changed by written endorsement signed by the Insurer.

(M) **Authorization and Notices**

It is understood and agreed that, except as provided elsewhere in this Policy, the **Parent Company** will act on behalf of the **Company** and the **Insured Persons** with respect to:

- (1) the payment of the premiums,
- (2) the receiving of any return premiums that may become due under this Policy,
- (3) the giving of all notices to the Insurer as provided herein, and
- (4) the receiving of all notices from the Insurer.

(N) **Entire Agreement**

The **Insured Persons** agree that the Declarations, the Policy, including any endorsements and attachments, and the **Application** shall constitute the entire agreement between the Insurer or any of its agents and the **Insured Persons** in relation to the insurance.

(O) **Worldwide Coverage**

In consideration of the premium charged, coverage under this Policy shall extend anywhere in the world.

(P) **Bankruptcy**

In the event that a liquidation or reorganization proceeding is commenced by or against the **Company** pursuant to the United States Bankruptcy Code, as amended, or any similar state or local law, the **Insured Persons** and the **Company** hereby (1) waive and release any automatic stay or injunction which may apply in such proceeding in connection with this Policy or its proceeds under such Bankruptcy Code or law; and (2) agree not to oppose or object to any efforts by the Insurer or any **Insured Person** or the **Company** to obtain relief from any such stay or injunction.

EXHIBIT 7

A STOCK COMPANY



MARKEL AMERICAN INSURANCE COMPANY

4521 Highwoods Parkway
Glen Allen, VA 23060

INSURANCE POLICY

Coverage afforded by this policy is provided by the Company (Insurer) and named in the Declarations.

In **Witness Whereof**, the company (insurer) has caused this policy to be executed and attested and countersigned by a duly authorized representative of the company (insurer) identified in the Declarations.

Richard R. Dinnon

William R. Palmer

Secretary

President



PRIVACY NOTICE

We are committed to safeguarding your privacy. We understand your concerns regarding the privacy of your nonpublic personal information. No nonpublic personal information is required to be collected when you visit our websites; however, this information may be requested in order to provide the products and services described. We do not sell nonpublic personal information to non-affiliated third parties for marketing or other purposes. We only use and share this type of information with non-affiliated third parties for the purposes of underwriting insurance, administering your policy or claim and other purposes as permitted by law, such as disclosures to insurance regulatory authorities or in response to legal process. Notwithstanding the foregoing, we may use this information for the purpose of marketing our own products and services to you.

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others; and/or
- Information we receive from consumer reporting agencies and inspection reports.

We do not disclose any nonpublic personal information about our customers/claimants or former customers/claimants to anyone, except as permitted by law.

We may disclose nonpublic personal information about you to the following types of third parties:

- Service providers, such as insurance agents and/ or brokers and claims adjusters; and/or
- Other non-affiliated third parties as permitted by law.

We restrict access to nonpublic personal information about our customers/claimants to those individuals who need to know that information to provide products and services to our customers/claimants or as permitted by law. We maintain physical, electronic, and procedural safeguards to guard your nonpublic personal information.

Residents of California:

You may request to review and make corrections to recorded non-public personal information contained in our files. A more detailed description of your rights and practices regarding such information is available upon request. Please contact your agent/broker for instructions on how to submit a request to us.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICYHOLDER DISCLOSURE NOTICE OF CERTIFIED ACTS OF TERRORISM COVERAGE

Disclosure You are hereby notified that under the Terrorism Risk Insurance Act as amended in 2015 the definition of terrorism has changed. As defined in Section 102(1) of the Act: The term “act of terrorism” means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under the Act, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. The Act requires the Insurer to also notify you that Terrorism Coverage required to be offered by the Act for losses caused by certified acts of terrorism is partially reimbursed by the United States Government under a formula established by federal law. Under this formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

The Terrorism Risk Insurance Act as amended, contains a \$100 billion cap that limits United States Government reimbursement as well as insurers’ liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Disclosure Of Premium

Certified acts of terrorism coverage is provided for no additional premium.



MARKEL AMERICAN INSURANCE COMPANY

NOTICES TO INSURER

Address for any notice pursuant to Section C - Notice:

Claims Service Center
MARKEL SERVICE, INCORPORATED
Ten Parkway North
Deerfield, IL 60015
Fax: (847) 572-6338
Phone: (847) 572-6000
E-mail: newclaims@markelcorp.com

Address for any other notice to the Insurer pursuant to this policy:

Markel American Insurance Company
4521 Highwoods Parkway
Glen Allen, VA 23060
Phone: (800) 963-7739 (804) 747-0136 Fax: (866) 730-3088



MARKEL AMERICAN INSURANCE COMPANY

EXCESS MANAGEMENT LIABILITY INSURANCE POLICY DECLARATIONS

THIS IS A CLAIMS-MADE POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY ONLY COVERS CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD.

PLEASE READ THIS POLICY CAREFULLY.

POLICY NUMBER: MKLM6MXM000022

RENEWAL OF POLICY:MKLM6PL0002429

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE INSURER AGREES WITH THE PARENT COMPANY TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Item 1. Parent Company and Address (No., Street, Town or City, State, Zip Code)
Education Corporation of America 3660 Grandview Pkwy Ste 300 Birmingham, AL 35243-3340

Item 2. Policy Period
From 09/03/2018 to 09/03/2019, at 12:01 A.M. Standard Time at the address shown above.

Item 3. Limit of Liability	
\$ 10,000,000	Aggregate in any one Policy Period

Item 4. Pending and Prior Litigation Date	
03/01/2011	This Policy follows any pending and prior litigation exclusion contained in the Followed Policy except that the applicable date in such exclusion shall be the date indicated herein.

Producer Number, Name and Address
213432 Willis of New York, Inc. 200 Liberty Street, Brookfield Place New York, NY 10281-1003


Item 5. Underlying Policy(ies)				
	Underlying Insurer	Policy No.	Limit of Liability	Attachment
<input checked="" type="checkbox"/>	AIG SPECIALTY INSURANCE COMPANY	01-825-10-59	\$ 10,000,000	\$500k/\$350k/\$100k
<input type="checkbox"/>	Starr Indemnity & Liability Company	1000059620181	\$ 10,000,000	\$ 10,000,000
<input type="checkbox"/>	Argonaut Insurance Company	MLX7602784-1	\$ 10,000,000	\$ 20,000,000
<input type="checkbox"/>	Zurich American Insurance Company	MPL0183905-03	\$ 10,000,000	\$ 30,000,000
<input type="checkbox"/>	Freedom Specialty Insurance Company	XMF1802431	\$ 10,000,000	\$ 40,000,000
<input type="checkbox"/>	XL Specialty Insurance Company (Side A)	ELU157380-18	\$ 10,000,000	\$ 50,000,000

Unless otherwise designated above by an "X" in front of another **Underlying Policy**, the **Followed Policy** is the **Primary Policy**.

Item 6. Policy Premium
\$ 42,500.00 Payable at inception

Item 7. Forms and Endorsements
Forms and Endorsements made part of this policy at time of issue: See MDIL 1001 08 10 attached.

These declarations, together with the Policy Form and any Endorsements, complete the above numbered policy.

10/31/2018	 <hr/> AUTHORIZED REPRESENTATIVE
Countersignature Date	



MARKEL AMERICAN INSURANCE COMPANY

FORMS SCHEDULE

<u>FORM NUMBER</u>	<u>FORM NAME</u>
MJIL 1000 06 10	Policy Jacket
MPIL 1007 03 14	Privacy Notice
MPML 1003 01 15	Confirmation of Certified Acts of Terrorism
MPMX 1000 05 10	Notices to Insurer
MDMX 1001 01 16	Excess Management Liability Insurance Policy Declarations
MDIL 1001 08 10	Forms Schedule V4
MMX 1000 05 10	Excess Management Liability Insurance Policy
MMX 1207 01 15	Certified Acts of Terrorism Coverage
MMX 1208 05 10	Reliance Upon Other Insurer's Application

EXCESS MANAGEMENT LIABILITY INSURANCE POLICY

Throughout this policy, the term Insurer refers to the insurance company providing this insurance.

In consideration of the premium paid and in reliance on all statements made and information furnished by the **Insureds** in the application or the underwriting of this Policy, and subject to the terms, conditions and limitations of this Policy, the Insurer and the **Insureds** agree as follows:

I. INSURING CLAUSE

Subject to the terms and conditions of this Policy, the Insurer shall provide to the **Insureds** excess coverage for claims first made during the **Policy Period**. Liability for any covered loss resulting from covered claims shall attach to the Insurer only after (i) the insurers of the **Underlying Policy(ies)**, the **Insureds**, and/or any other party shall have paid in legal currency loss covered under the respective **Underlying Policy(ies)** equal to the full amount of the **Underlying Limit(s)**, and (ii) the **Insureds** shall have paid the retention or deductible, if any, applicable under the **Primary Policy**. The Insurer shall then be liable to pay only covered loss in excess of such **Underlying Limit(s)** up to its **Limit of Liability** as set forth in Item 3 of the Declarations, which shall be the maximum aggregate liability of the Insurer under this Policy with respect to all claims first made in the **Policy Period** against all **Insureds** irrespective of the time of payment by the Insurer.

II. TERMS AND CONDITIONS

A. FOLLOWING FORM

This Policy, except as stated herein, is subject to all terms, conditions, representations and limitations as contained in the **Followed Policy** as of inception of this Policy, and to the extent coverage is further limited or restricted thereby, in any other **Underlying Policy(ies)**. In no event shall this Policy grant broader coverage than would be provided by any of the **Underlying Policy(ies)**. In the event of any conflict between the terms, conditions, and limitations of this Policy and any **Underlying Policy**, the terms, conditions and limitations of this Policy shall control.

B. UNDERLYING POLICIES

1. Notwithstanding any of the terms of this Policy which might be construed otherwise, this Policy shall drop down to the extent the **Underlying Limit** is paid as described above, and shall not drop down for any other reason including, but not limited to, uncollectability (in whole or in part) of any **Underlying Policy(ies)**. The risk of uncollectability of the **Underlying Policy(ies)** (in whole or in part) whether because of financial impairment or insolvency of an underlying insurer or for any other reason, is expressly retained by the **Insureds** and is not in any way or under any circumstances insured or assumed by the Insurer.
2. If any **Underlying Policy(ies)** contains a specific grant of coverage that is subject to a sublimit of liability, then coverage under this Policy shall not apply to any claim which is otherwise subject to such grant of coverage. However, any loss which is paid under the **Underlying Policy(ies)** and which is subject to such sublimit of liability shall erode or exhaust the **Underlying Limit(s)** for purposes of this Policy.
3. If any **Underlying Policy(ies)** is canceled or terminated during the **Policy Period**, the Insurer shall not be liable under this Policy to a greater extent than it would have been had such **Underlying Policy(ies)** been maintained. To the extent the terms, conditions or limitations of any of the **Underlying Policy(ies)** are changed during the **Policy Period**, this Policy shall automatically become subject to any such changes which limit or restrict coverage, and this Policy shall become subject to any such changes which expand or broaden coverage only if and to the extent the Insurer agrees to such changes in writing.

C. NOTICE

All notices under this Policy shall be in writing and properly addressed to the appropriate party. Notice to the **Insureds** may be given to the **Parent Company** at the address as shown in Item 1. of the Declarations. Notice to the Insurer shall be given at the respective address shown in the attached notice schedule.

Any notice to the insurer of an **Underlying Policy(ies)** shall not constitute notice to the Insurer unless also given to the Insurer as provided above.

D. CLAIMS PROVISIONS

1. The Insurer may, at its sole discretion, fully and effectively associate with the **Insureds** in the investigation, defense or settlement of any claim or potential claim reported to the Insurer under this Policy even if the **Underlying Limit** has not been exhausted.
2. No action by any other insurer shall bind the Insurer under this Policy. The Insurer shall not be liable under this Policy for any settlements, stipulated judgments or defense costs to which the Insurer has not consented, which consent shall not be unreasonably withheld.

E. DISCOVERY PERIOD

The **Insureds** shall have the right to elect a discovery period under this Policy as described in, and subject to the terms of, the **Followed Policy**. The additional premium for the discovery period shall be the same percentage of this Policy's annual premium as the percentage stated in the **Followed Policy** for calculating the discovery period premium thereunder. The discovery period shall not be available unless the **Insured** has elected the discovery period in all unexhausted **Underlying Policies** and has provided proof thereof to the Insurer.

F. RECOVERIES

Any amount recovered by or on behalf of the **Insureds** after payment under this Policy, less the cost of obtaining the recovery, shall be distributed in the following order: (i) first to the **Insureds** and the insurer of any other policy specifically excess of this Policy until they are reimbursed for covered loss that they pay excess of this Policy, (ii) then to the Insurer until the Insurer is reimbursed for payments under this Policy, and (iii) then to the **Insureds** and the insurer of any **Underlying Policy** until they are reimbursed for covered loss that they pay.

G. DEFINITIONS

Terms defined in the **Followed Policy** are used in this Policy with the meaning assigned to them in the **Followed Policy**, unless otherwise stated herein.

1. **Followed Policy, Underlying Policy(ies)** and **Limit of Liability** have the meanings attributed to them in the Declarations.
2. **Insured(s)** means all natural persons and entities insured by the **Followed Policy**.
3. **Parent Company** means the entity named in Item 1. of the Declarations.
4. **Primary Policy** means the first listed policy in Item 5. of the Declarations.
5. **Policy Period** means the period of time specified in Item 2. of the Declarations, subject to prior termination in accordance with the **Followed Policy**, plus the discovery period if exercised.
6. **Underlying Limit** means an amount equal to the aggregate of all applicable limits of liability, as set forth in Item 5. of the Declarations, for all **Underlying Policies**, plus the retention or deductible, if any, applicable under the **Primary Policy**.



MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CERTIFIED ACTS OF TERRORISM COVERAGE

This endorsement modifies insurance provided under the following:

EXCESS MANAGEMENT LIABILITY INSURANCE POLICY

It is agreed that the following is added:

Certified Acts of Terrorism

It is hereby understood and agreed that this policy includes coverage on account of any claim for wrongful acts applicable to Coverage Part(s) of this policy resulting from any **Certified Act of Terrorism**.

Certified Act of Terrorism means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The federal Terrorism Risk Insurance Act set forth the following criteria for a **Certified Act of Terrorism**:

1. The act resulted in insured losses in excess of \$5 million in the aggregate attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If the aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Calendar Year and the Insurer has met the Insurer's deductible under the Terrorism Risk Insurance Act, the Insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such cases insured losses up to that amount are subject to pro rata allocation in accordance with the procedures established by the Secretary of the Treasury.

The terms and limitations of any terrorism coverage provided therewith, or the inapplicability or omission of terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this policy.

All other terms and conditions remain the same.



MANAGEMENT LIABILITY
POLICY NUMBER: MKLM6MXM000022

MARKEL AMERICAN INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RELIANCE UPON OTHER INSURER'S APPLICATION

This endorsement modifies insurance provided under the following:

EXCESS MANAGEMENT LIABILITY INSURANCE POLICY

In consideration of the premium charged, it is understood and agreed that the Insurer has relied upon the statements in the following application(s):

Application Title	Signed on
For-Profit Higher Ed Questionnaire	

including materials attached thereto, completed by the **Parent Company** designated in Item 1. of the Declarations and such application(s) is/are made a part of this policy and operates as the Insurer's own application.

All other terms and conditions remain the same.

EXHIBIT 8

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aig.com/producer-compensation or by calling 1-800-706-3102.



National Union Fire Insurance Company of Pittsburgh, Pa.[®]
A capital stock company

Policy Number: 01-871-22-13

Replacement of: 01-843-97-63

EXCESS EDGE[®]

NOTICES: Depending on the terms, conditions and limitations of the **Followed Policy**, this policy may (1) only provide coverage for loss from claims first made or first made and reported during its **Policy Period**; (2) have its limit of liability reduced by the payment of defense costs and/or claim expenses, and (3) not impose a duty to defend on the **Insurer**. Please read the **Followed Policy** and this policy carefully and discuss the coverage provided thereunder and hereunder with your insurance agent or broker.

DECLARATIONS

Policyholder:	EDUCATION CORPORATION OF AMERICA	Limit of Liability:	\$	10,000,000
Policyholder Address:	3660 GRANDVIEW PKWY # 300 BIRMINGHAM, AL 35243-3340	Total Underlying Limits:	\$	70,000,000
Policyholder Domicile:	Alabama	Policy Period: From:		September 3, 2018
Insurer Address:	175 Water Street New York, NY 10038	To:		September 3, 2019
Claims Address: e-mail:	c-claim@AIG.com	Premium:	\$	200,000
Mail:	AIG, Financial Lines Claims P.O. Box 25947 Shawnee Mission, KS 66225	TRIA Premium	\$	1,980

SCHEDULE OF UNDERLYING COVERAGE

	Underlying Insurer	Underlying Policy	Underlying Limit	Underlying Policy Period
	AIG Specialty Insurance Company	01-825-10-59	\$10,000,000 Primary	09/03/2018 to 09/03/2019
	Starr Indemnity & Liability Company	1000059620181	\$10,000,000 xs \$10,000,000	09/03/2018 to 09/03/2019
	Argonaut Insurance Company	MLX 7602784-1	\$10,000,000 xs \$20,000,000	09/03/2018 to 09/03/2019
	Zurich American Insurance Company	MPL 0183905-03	\$10,000,000 xs \$30,000,000	09/03/2018 to 09/03/2019
	Freedom Specialty Insurance Company	XMF1802431	\$10,000,000 xs \$40,000,000	09/03/2018 to 09/03/2019
*	XL Specialty Insurance Company	ELU157380-18	\$10,000,000 xs \$50,000,000	09/03/2018 to 09/03/2019
	Markel American Insurance Company	MKLM6MXM000022	\$10,000,000 xs \$60,000,000	09/03/2018 to 09/03/2019

The **Policy Period** incepts and expires as of 12:01 A.M. at the **Policyholder Address**. Terms with "**Bold**" typeface are used in this policy with the meanings and values ascribed to them above; however, subject to the Changes clause, the "**Followed Policy**" means the policy in the Schedule with an "*" at the beginning of its row, but only with respect to the following **Followed Coverage Section(s)**: ALL. '**TRIA Premium**' means the premium for Certified Acts of Terrorism Coverage under Terrorism Risk Insurance Act, as amended. Amount indicated above is included in **Premium**. A copy of the TRIA disclosure sent with the original quote is attached hereto.

1620149

103224 (02/10)

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In consideration of the payment of the premium, National Union Fire Insurance Company of Pittsburgh, Pa. (the "Insurer") and insureds agree as follows:

INSURING AGREEMENT This policy shall provide coverage in accordance with the same terms, conditions and limitations of the **Followed Policy**, as modified by and subject to the terms, conditions and limitations of this policy.

The **Insurer's** coverage obligations under this policy attach to the **Insurer** only after the **Total Underlying Limits** have been exhausted through payments by, on behalf of or in the place of the **Underlying Insurers** of amounts covered under the **Underlying Policies**. This policy shall continue in force as primary insurance only upon the exhaustion of the **Total Underlying Limits** by reason of such payments and satisfaction of any applicable retention. This policy shall recognize erosion of an **Underlying Limit** of an **Underlying Policy** through payments by others of covered amounts under that **Underlying Policy**. The risk of uncollectability of any part of the **Total Underlying Limits**, for any reason, is expressly retained by the **Policyholder** and any insureds, and is not insured under this policy or assumed by the **Insurer**.

LIMIT OF LIABILITY The **Limit of Liability** is the aggregate limit of the **Insurer's** liability for all coverage under this policy.

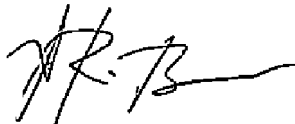
NOTICES Where the **Followed Policy** requires or permits notice to its insurer, the **Policyholder** or the insureds have the same obligations and rights to notify the **Insurer** under this policy, except that with respect to this policy, any notice to the **Insurer** must be directed as follows: (i) for claims-related matters, by mail or e-mail to the **Claims Address**; and (ii) for all other notices, by mail to the **Insurer Address**.

RIGHTS The **Insurer** shall have the same rights, privileges and protections afforded to the **Underlying Insurer** of the **Followed Policy** in accordance with the terms, conditions and limitations of the **Followed Policy**. The **Insurer** shall also have the right, in its sole discretion, but not the obligation, to effectively associate with the insureds in the defense and settlement of any claim that appears to be reasonably likely to involve the **Insurer**. The **Policyholder**, its subsidiaries and any insureds shall provide the **Insurer** with such information, assistance and cooperation as the **Insurer** may reasonably request and shall not do anything that prejudices the **Insurer's** position or potential rights of recovery.

RELIANCE The **Insurer** has issued this policy in reliance upon the completeness and accuracy of the applications, warranties, statements, the binders for the **Underlying Policies**, any attachments thereto and any other materials submitted for this policy, which shall be deemed attached hereto and made a part hereof.

CHANGES If, subsequent to the issuance of the **Followed Policy**, the terms, conditions or limitations of an **Underlying Policy** are modified, the insureds must notify the **Insurer** in writing, as soon as practicable, of such modification. If any changes to the **Followed Policy**: (i) expand coverage, (ii) change the policyholder name or address, or (iii) modify premium, this policy shall not follow those changes unless the **Insurer** reflects its agreement to do so in a written endorsement to this policy.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President, Secretary and Authorized Representative. This Policy shall not be valid unless signed below at the time of issuance by an authorized representative of the insurer.



PRESIDENT



AUTHORIZED REPRESENTATIVE



SECRETARY

COUNTERSIGNATURE
(WHERE REQUIRED BY LAW)

WILLIS OF NEW YORK, INC
200 LIBERTY STREET
7TH FL
NEW YORK, NY 10281-1003
1620149

DATE

COUNTERSIGNATURE LOCATION

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
(RIGHT TO PURCHASE COVERAGE)**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury-in consultation with the Secretary of Homeland Security, and the Attorney General of the United States-to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING JANUARY 1, 2018; 81% BEGINNING JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

COPY OF DISCLOSURE SENT WITH ORIGINAL QUOTE

Insured Name: *EDUCATION CORPORATION OF AMERICA*

Policy Number: *01-871-22-13*

Policy Period Effective Date From: *September 3, 2018* To: *September 3, 2019*

ENDORSEMENT# 1

This endorsement, effective at *12:01AM September 3, 2018* forms a part of
Policy number *01-871-22-13*
Issued to: *EDUCATION CORPORATION OF AMERICA*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

Product Name: *Excess Edge*

ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

Coverage shall only be provided and payment of loss under this policy shall only be made in full compliance with enforceable United Nations economic and trade sanctions and the trade and economic sanction laws or regulations of the European Union and the United States of America, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

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END 001

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ENDORSEMENT# 2

This endorsement, effective at *12:01AM September 3, 2018* forms a part of
Policy number *01-871-22-13*
Issued to: *EDUCATION CORPORATION OF AMERICA*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

Product Name: *Excess Edge*

**FEDERAL SHARE OF COMPENSATION UNDER TRIA AND CAP ON LOSSES
ENDORSEMENT**

This endorsement modifies insurance provided by this Policy:

DISCLOSURE

You should know that where coverage is provided by this Policy for losses resulting from "Certified Acts of Terrorism" (as defined by Section 102 (1) of United States Terrorism Risk Insurance Act), such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your Policy may contain other exclusions which might affect your coverage such as, an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning January 1, 2018; 81% beginning January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from "Certified Acts of Terrorism" when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion in a calendar year and if we have met our insurer deductible, we are not liable for the payment of any portion of the amount of such losses that exceeds \$100 billion; and for aggregate insured losses up to \$100 billion, we will only pay a pro rata share of such insured losses as determined by the Secretary of the Treasury.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

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END 002

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ENDORSEMENT# 3

This endorsement, effective *12:01AM September 3, 2018* forms a part of
 policy number *01-871-22-13*
 issued to *EDUCATION CORPORATION OF AMERICA*

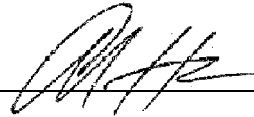
by *National Union Fire Insurance Company of Pittsburgh, Pa.*

FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
103224	02/10	EXCESS DEC AND POLICY - ADMITTED
96555	01/15	TRIA DEC DISCLOSURE FORM
119679	09/15	ECONOMIC SANCTIONS ENDORSEMENT
125595	03/17	FEDERAL SHARE OF COMPENSATION UNDER TRIA AND CAP ON LOSSES ENDORSEMENT
78859	10/01	FORMS INDEX ENDORSEMENT

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



 AUTHORIZED REPRESENTATIVE



CLAIM REPORTING FORM

Issuing Company: *National Union Fire Insurance Company of Pittsburgh, Pa.*

Reported under Policy/Bond Number: 01-871-22-13 Date: _____

Type of Coverage: D&O _____ E&O _____ Fidelity _____ (complete the Fidelity Supplemental on the next page)

Insured's Name, as given on Policy Declarations (Face Page):

EDUCATION CORPORATION OF AMERICA

Contact Person: _____

Title: _____

Phone: (_____) _____ - _____ Ext _____

eMail: _____ @ _____

Case or Claimant Name: _____

If the party involved is different from "Insured" Name (as given on Policy Declarations) state relationship:

Insurance Broker/Agent: WILLIS OF NEW YORK, INC

Address: 200 LIBERTY STREET, 7TH FL

Address: NEW YORK, NY 10281-1003

Contact: COURTNEY LOGAN Phone: _____

eMail: MAILHUB@WILLISTOWERSWATSON.COM

Send Notice of Claims to:	AIG	Phone: (888) 602- 5246
	Financial Lines Claims	Fax: (866) 227- 1750
	P.O. Box 25947	Email: c- Claim@AIG.com
	Shawnee Mission, KS 66225	



**CLAIM REPORTING FORM
FIDELITY SUPPLEMENTAL**

(Only complete this supplemental if the Claim is being reported under Fidelity Coverage)

Issuing Company: *National Union Fire Insurance Company of Pittsburgh, Pa.*

Reported under Policy/Bond Number: 01-871-22-13



Date of Discovery: _____ Estimated Amount of loss: _____

Cause of Loss:	Employee Dishonesty	_____	Computer Fraud	_____
	Funds Transfer	_____	Robbery/Burglary	_____
	ID Theft	_____	Forgery	_____
	Client Property	_____	In Transit	_____
	ERISA	_____	Credit Card Forgery	_____
	Other	_____	if Other, describe:	_____



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	Financial Lines Claims	Fax: (866) 227- 1750
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