



**GENERAL STAR NATIONAL INSURANCE COMPANY**  
**P.O. Box 10354**  
**Stamford, Connecticut 06904**

**REAL ESTATE APPRAISERS ERRORS & OMISSIONS LIABILITY INSURANCE POLICY**

**DECLARATIONS PAGE**

This is a claims made and reported policy.  
 Please read this policy and all endorsements and attachments carefully.

**Policy Number:** NJA799307D **Renewal of Number:** NJA799307C

**1. NAMED INSURED:** Robert Michael Surns  
**MAILING ADDRESS:** 909 East Centre Street  
 Vicksburg, MI 49002

**2. POLICY PERIOD:** Inception Date: 09/23/2007 Expiration Date: 09/23/2008  
 Effective 12:01 a.m. Standard Time at the mailing address of the Named Insured.

**3. LIMIT OF LIABILITY:**  
 Each Claim: \$ 1,000,000  
 Aggregate: \$ 2,000,000  
 Lock Box Liability: N/A

**4. CLAIM EXPENSES:**  
 b. Have a separate limit of liability.

**5. STATUS OF INSURED:** Sole Proprietorship

**6. DEDUCTIBLE:**  
 Each Claim: \$500/1,000  
 b. The deductible amount specified above applies to both Damages and Claims Expenses.

**7. PRIOR ACTS DATE:** 09/23/2003  
 If a date is indicated, this insurance will not apply to any regular act, error, omission or personal injury which occurred before such date.

**8. PREMIUM:** \$ 590.00

**9. ENDORSEMENTS:**  
 This policy is made and accepted such to the printed conditions in this policy together with the provisions, stipulations and agreements contained in the following form(s) or endorsement(s).

GSN-06-RE-122 (07/2004) GSN-06-PL-823MI (05/2004) GSN-07-RE-411 (1/2007)  
 06-PL-201 (07/2004) GSN-07-PL-375 (02/2006)

**10. MANAGING AGENT**  
 Herbert H. Landy Insurance Agency, Inc.  
 75 Second Avenue, Suite 410  
 Needham, Massachusetts 02494-2876

Authorized Representative

Producer Code: 00026230  
 Date: 09/08/2007

Class Code: 73128  
 SLA#:

GSN-06-RE-720 (03/2005)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement # 1, effective 09/23/2007 forms a part of Policy # NJA799307D issued to Robert Michael Surms**

## **ADDITIONAL INSURED ENDORSEMENT**

**This endorsement modifies insurance provided under your**

### **PROFESSIONAL LIABILITY POLICY**

**The following person(s)/entitie(s) is/are included as an Additional Insured, but only as respects claims arising out of any negligent act, error, omission or Personal Injury in the rendering or failure to render Professional Services by any individual or entity specified in Section II., PERSONS INSURED, of the policy.**

**Lakeshore Appraisal  
Lakeshore Appraisal, PLC**

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED**

**06-PL-201 (07/2004)**

**Page 1 of 1**

**ã Copyright 2003, General Star Management Company, Stamford, CT  
May include copyrighted material of Insurance Services Office, Inc., with its permission.**

**SURR81-1**

**Processed by Herbert H. Landy Insurance Agency Inc. Needham, MA**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement # 2, effective 09/23/2007 forms a part of Policy # NJA799307D issued to Robert Michael Surms

## **EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND OTHER ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

### **PROFESSIONAL LIABILITY ERRORS & OMISSIONS INSURANCE POLICY**

The following exclusion is added to the EXCLUSIONS section:

#### **TERRORISM**

- A. This policy does not apply to Any Injury Or Damage or Claims or Claims Expenses arising directly or indirectly, out of a Certified Act Of Terrorism or an Other Act Of Oerrorism. However, with respect to an Other Act Of Terrorism, this exclusion applies only when one or more of the following are attributed to such act:
1. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
  2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
    - a. Physical injury that involves a substantial risk of death; or
    - b. Protracted and obvious physical disfigurement; or
    - c. Protracted loss of or impairment of the function of a bodily member or organ; or
  3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
  4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
  5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an other Act Of Terrorism and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

**B. This policy does not apply to Damages, Claims or Claims Expenses arising, directly or indirectly, out of a Certified Act Of Terrorism or Other Acts Of Terrorism that are awarded as punitive damages.**

**C. The following definitions are added for the purposes of this endorsement:**

- 1. Any Injury Or Damage means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to bodily injury, property damage, personal and advertising injury, injury or environmental damage as may be defined in any applicable Coverage Part.**
- 2. Certified Act Of Terrorism means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a certified act of terrorism:**
  - a. The act resulted in aggregate losses in excess of \$5 million; and**
  - b. 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 acting on behalf of any foreign person or foreign interest, 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.**
- 3. Other Act Of Terrorism means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002. Multiple incidents of an Other Act Of Terrorism which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.**

**D. In the event of any incident of a Certified Act Of Terrorism or an Other Act Of Terrorism that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.**

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.**

**Named Insured: Robert Michael Sums**

**Policy Number: NJA799307D Endorsement Number: 2**

**Endorsement Effective Date: 09/23/2007**

# GENERAL STAR NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement # \_\_\_\_\_, effective \_\_\_\_\_ forms a part of Policy # \_\_\_\_\_

issued to \_\_\_\_\_ by GENERAL STAR NATIONAL  
INSURANCE COMPANY.

## MICHIGAN AMENDATORY ENDORSEMENT

SECTION X – GENERAL CONDITIONS, CLAUSE I., CANCELLATION, is deleted in its entirety, and is replaced by the following:

### I. CANCELLATION

1. This policy can be canceled by either the Named Insured or the Company.
  - a. The Named Insured can cancel this policy at any time. To do so, the Named Insured must:
    - (1) Return the policy to the Company or any of the Company's authorized representatives; or
    - (2) Mail a written notice to the Company;  
stating when the cancellation is to be effective. The Company must receive the policy or written notice before the cancellation date.
  - b. The Company can cancel this policy by giving written notice to the Named Insured at least:
    - (1) Ten (10) days before the effective date of cancellation, if cancellation is for nonpayment of premium. However, the Named Insured may continue the coverage by payment in full at any time prior to the date the cancellation is effective; or
    - (2) Thirty (30) days before the effective date of cancellation, if cancellation is for any other reason.
2. The Company will mail or deliver notice to the Named Insured at the last mailing address known to the Company.
3. Notice of cancellation will state the date the cancellation is effective. This policy will end on that date. The grounds for such cancellation shall also be stated, and upon the Named Insured's written request, the Company shall furnish the facts upon which the cancellation is based.
4. If notice is mailed, proof of mailing will be sufficient proof of notice.
5. If this policy is canceled, the Company will send the Named Insured any premium refund due. If the Company cancels, the refund will be pro rata. If the Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if the Company has not made or offered a refund.

6. If this policy has been in effect for more than ninety (90) days, or is a renewal, the Company shall not cancel this policy except for one or more of the following reasons:
  - a. Nonpayment of premium;
  - b. Any material misrepresentation, or non-disclosure of any fact which if known would affect insurability or cause this policy not to be issued by or with the knowledge of the Named Insured or the Named Insured's representatives;
  - c. Any fraud relating to this policy or to a Claim made under this policy;
  - d. Actions by the Named Insured that have substantially increased or changed the risk insured;
  - e. Discovery of any willful or reckless acts or omissions by the Named Insured which increases the hazard insured against;
  - f. A material increase in the hazard insured against;
    - (1) Which could not have been reasonably contemplated at the inception of the contract;
    - (2) Including such increase as a result of changes in rules, legislation or court decision;
  - g. Failure to comply with reasonable loss control or safety recommendations;
  - h. Substantial breach of contractual duties, conditions or agreements;
  - i. Substantial loss of reinsurance by the Company affecting this particular type of insurance, certified to the insurance regulatory authority.

SECTION X – GENERAL CONDITIONS, CLAUSE J., NONRENEWAL, is deleted in its entirety, and is replaced by the following:

**J. NONRENEWAL**

If the Company decides not to renew this policy, forty-five (45) days advance written notice shall be mailed or delivered to the Named Insured at the address shown in this policy. The notice shall include the reason for such nonrenewal.

This provision shall not apply in the event:

1. of nonpayment of premium;
2. the Company has implied or consented to renewal; or
3. The Named Insured has:
  - a. Requested or agreed to nonrenewal;
  - b. Insured elsewhere or accepted replacement coverage.

In the event the Company is willing to renew this policy, a premium billing notice shall be mailed or delivered to the Named Insured at the address shown in this policy not less than forty-five (45) days in advance of the renewal or anniversary date of this policy. The premium billing notice shall be based upon the rates and rules applicable to the ensuing policy period.

If the Company has not given such advance notice, the Named Insured may cancel the renewal policy within forty-five (45) days after receiving notice, and any earned premium shall be calculated on a pro rata basis.

The following section is added to SECTION X – GENERAL CONDITIONS:

**R. INCREASED PREMIUM**

If any renewal policy will be subject to an increased premium or reduced benefits, forty-five (45) days advance written notice of such increase or change shall be mailed or delivered to the Named Insured at the address shown in this policy.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement # \_\_\_\_\_, effective \_\_\_\_\_ forms a part of Policy # \_\_\_\_\_  
issued to \_\_\_\_\_.

## **Michigan State Amendatory - Notice of Claim**

This endorsement modifies SECTION X – GENERAL CONDITIONS of your policy by the addition of the following:

- R. **Notice of Claim:** Notice given by or on behalf of the Insured, or written notice by or on behalf of the injured person or any other claimant to any authorized agent of the Company, with particulars sufficient to identify the Insured, shall be deemed notice to the Company.

Notwithstanding anything in the policy to the contrary, failure to give any notice required by the policy within the time prescribed therein shall not invalidate any Claim made by the Insured or by any other claimant, if it shall be shown not to have been reasonably possible to give such notice within the prescribed time and that notice was given as soon as was reasonably possible.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.**

**GENERAL STAR NATIONAL INSURANCE COMPANY  
FINANCIAL CENTRE, P.O. BOX 10354  
STAMFORD, CONNECTICUT 06904-2354  
(A stock insurance Company, herein called the Company)**

**NOTICE**

**THIS IS A CLAIMS MADE AND REPORTED FORM  
REAL ESTATE APPRAISERS PROFESSIONAL LIABILITY INSURANCE POLICY  
CLAIMS MADE**

**THIS REAL ESTATE APPRAISERS PROFESSIONAL LIABILITY POLICY PROVIDES COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS. THE COVERAGE PROVIDED BY THIS POLICY IS LIMITED TO ONLY THOSE CLAIMS WHICH ARISE FROM PROFESSIONAL SERVICES RENDERED AFTER THE RETROACTIVE DATE STATED IN THE DECLARATIONS AND WHICH ARE FIRST MADE AGAINST THE INSURED AND REPORTED TO US DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD.**

**PLEASE REVIEW THE POLICY CAREFULLY. THIS POLICY CONTAINS IMPORTANT EXCLUSIONS AND CONDITIONS. ALL WORDS OR PHRASES (OTHER THAN CAPTIONS) THAT ARE PRINTED IN BOLD FACE ARE DEFINED IN THE POLICY. PLEASE DISCUSS ANY QUESTIONS CONCERNING THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.**

**WHAT TO DO IN CASE OF A CLAIM**

**In the event you directly or indirectly become involved in a professional liability claim, you should immediately report the details in writing to either your agent / broker or to:**

**General Star Management Company  
123 N. Wacker Drive  
Chicago, IL 60606  
Fax: 312-267-8520  
Attn: Professional Liability Claims**

**Note: Failure to promptly report a claim could jeopardize your policy.**

**IMPORTANT**

**This policy is not effective unless a Declarations page is issued.**

**General Star National Insurance Company  
Home Office:  
471 East Broad Street  
Columbus, Ohio 43215**



## TABLE OF CONTENTS

SECTION I — COVERAGE .....	3
SECTION II — PERSONS INSURED .....	4
SECTION III — LIMIT OF LIABILITY AND DEDUCTIBLE.....	4
SECTION IV — POLICY PERIOD, TERRITORY .....	5
SECTION V — WHEN TO REPORT A CLAIM .....	5
SECTION VI — SUPPLEMENTARY PAYMENTS.....	5
SECTION VII — EXCLUSIONS.....	6
SECTION VIII — DEFINITIONS.....	8
SECTION IX — EXTENDED REPORTING PERIOD .....	9
SECTION X — GENERAL CONDITIONS.....	10

**REAL ESTATE APPRAISERS ERRORS AND OMISSIONS CLAIMS-MADE INSURANCE POLICY  
THIS IS A CLAIMS-MADE POLICY. PLEASE REVIEW THE POLICY CAREFULLY.**

THE POLICY IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD UNLESS, AND TO THE EXTENT, THE EXTENDED REPORTING PERIOD OPTION APPLIES.

GENERAL STAR NATIONAL INSURANCE COMPANY, hereinafter called the Company, agrees with the Named Insured as shown in the Declarations which are made a part of this policy; in consideration of the payment of the premium, and in reliance upon the statements on the application and the Declarations Page and subject to the limit of liability, exclusions, conditions and other terms of this policy, as follows:

**INSURING AGREEMENTS**

<b>SECTION I -- COVERAGE</b>
------------------------------

The Company will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as Damages for Claims first made against the Insured during the Policy Period and first reported to the Company in writing during the Policy Period or within sixty (60) days thereafter, arising out of any act, error, omission or Personal Injury in the rendering of or failure to render Professional Services by an Insured covered under this policy; provided always that such act, error, omission or Personal Injury happens:

- A. during the Policy Period; or
- B. prior to the Policy Period provided that:
  - 1. such act, error, omission or Personal Injury happened on or after the Prior Acts Date as indicated on the Declarations Page of this policy; and
  - 2. at the inception of this policy the Insured had no reasonable basis to believe that any Insured had breached a professional duty and no reasonable basis to believe an act, error or omission might be expected to result in a Claim or Suit.

The Company shall have the right and duty to defend any Suit against the Insured seeking Damages to which this insurance applies even if any of the allegations of the Suit are groundless, false or fraudulent. However, the Company shall have no duty to defend the Insured against any Suit seeking Damages to which this insurance does not apply. For covered Claims, the Company, at its option, shall select and assign defense counsel; however, the Insured may engage additional counsel, solely at their own expense, to associate in the defense of any covered Claim. The Insured shall not assume any obligations, incur any costs, charges, or expenses or enter into any settlement without the Company's consent.

The Company shall also have the right to investigate any Claim and negotiate the settlement, as it deems expedient, but the Company shall not commit the Named Insured to any settlement without the Named Insured's consent. If the Named Insured refuses to consent to any settlement recommended by the Company, and elects to contest the Claim or continue any legal proceedings in connection with such Claim, then the Company shall be relieved of any further duty to defend the Claim, and the liability of the Company for Damages and Claims Expenses shall not exceed the amount for which the Claim could have been settled, as well as the Claims Expenses incurred by the Company or with the Company's consent up to the date of such refusal.

In the event that:

- A. Item 4.a. of the Declarations Page is applicable to this policy, Claims Expenses shall be part of, and not in addition to, the Limits of Liability specified in Item 3. of the Declarations Page; or
- B. Item 4.b. of the Declarations Page is applicable to this policy, Claims Expenses shall be in addition to the Limits of Liability specified in Item 3. of the Declarations Page and shall be limited to an amount equal to "each Claim" and "aggregate" Limit of Liability in Item 3. of the Declarations Page.

In no event shall the Company be obligated to pay Damages or Claims Expenses or to defend, or continue to defend, any Suit after the applicable limit of the Company's liability has been exhausted by payments of Damages or Claims Expenses.

## SECTION II -- PERSONS INSURED

The person named in item 1. of the Declarations Page is the Named Insured for purposes of this policy.

## SECTION III -- LIMITS OF LIABILITY AND DEDUCTIBLE

Regardless of the number of Insureds covered under this policy or the number of Claims made, the Company's liability is limited as follows:

- A. In the event Claims Expenses are included within the limit of liability as specified in Item 4.a. of the Declarations Page, the limit of liability stated on the Declarations Page as applicable to "each Claim" is the limit of the Company's liability for all Damages and Claims Expenses because of each Claim covered.

The limit of liability stated on the Declarations Page as "aggregate" is, subject to the above provision respecting "each Claim", the total limit of the Company's liability under this policy for all Damages and Claims Expenses.

All Claims alleging interrelated acts, errors or omissions or Personal Injuries regardless of the number of Claims, Insureds, or claimants are considered to be one Claim. All such Claims are considered first made at the time the first Claim was first made. Furthermore, an interrelated act, error, or omission is deemed to have occurred at the time the first interrelated act, error, or omission occurred.

- B. In the event Claims Expenses are in addition to the limit of liability as specified in Item 4.b. of the Declarations Page, the limit of liability stated on the Declarations Page as applicable to "each Claim" is the limit of the Company's liability for Damages resulting from each Claim covered. There shall be a separate limit of liability applicable to Claims Expenses for any such Claim equal to the limit of the Company's liability for Damages.

The limit of liability stated on the Declarations Page as "aggregate" is, subject to the above provision respecting "each Claim", the total limit of the Company's liability under this policy for all Damages. There shall be a separate "aggregate" limit of liability applicable to all Claims Expenses incurred in the defense of Claims covered by this policy, subject to the above provision respecting the Company's liability for Claims Expenses for "each Claim".

All Claims alleging interrelated acts, errors or omissions or Personal Injuries regardless of the number of Claims, Insureds, or claimants are considered to be one Claim. All such Claims are considered first made at the time the first Claim was first made. Furthermore, an interrelated act, error, or omission is deemed to have occurred at the time the first interrelated act, error, or omission occurred.

- C. The Company's liability for Damages and Claims Expenses, as applicable, resulting from "each Claim" is in excess of the deductible amount stated on the Declarations Page. In the event that there is a separate aggregate limit of liability for Claim Expenses and for Damages and the deductible amount applies to Claim Expenses and Damages, the deductible amount applies once per each Claim. In the event that the deductible applies to Damages only, the Insured shall pay for Damages in the amount of the deductible for each Claim.
- D. In the event the Insured participated in an Alternative Dispute Resolution to settle a Claim brought by a client of the firm, the Company will waive 50% of the Insured's deductible obligation. The maximum amount of this waiver shall not exceed \$25,000 per Claim. If the Alternative Dispute Resolution fails to resolve the Claim, and the Claim proceeds to litigation, the deductible will apply without the 50% waiver to any Damages and Claims Expenses incurred once the litigation has commenced.
- E. The purchase or application of any Extended Reporting Period Option shall not increase the limit of liability stated on the Declarations Page.
- F. If any Claim reported under this policy is also covered by one or more primary insurance policies or certificates of insurance issued by the Company, or by any other affiliated company of GENERAL STAR NATIONAL INSURANCE COMPANY or any successor company, to any Insured, or to any person who controls, is controlled by or affiliated by common control with said Insured, then with respect to such Claim:

1. The Company shall not be liable under this policy for a greater proportion of the loss than the applicable limit of liability under this policy bears to the total limits of liability of all such policies; and
2. The maximum amount payable under all such policies shall not exceed the limit of liability of that policy which has the highest limit of liability.

- G. The limits of liability of this insurance policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limits of liability.

#### SECTION IV -- POLICY PERIOD, TERRITORY

The insurance afforded by this policy applies to:

- A. Claims which are first made and reported in writing to the Company during the Policy Period as stated on the Declarations Page, and
- B. then only provided the Claim is made or Suit, if any, is brought within the United States of America, its territories, possessions or Canada.

#### SECTION V -- WHEN TO REPORT A CLAIM

Written notice shall be given to the Company when the Insured first becomes aware of the following:

- A. A Claim made against an Insured, a lawsuit, or any kind of legal proceeding involving a Claim which has been made against an Insured; or
- B. Any event, circumstance, situation or transaction which could reasonably be expected to result in a Claim against an Insured; and shall immediately forward to the Company copies of all demand letters, legal pleadings and other information relative to A. and B. above.

#### SECTION VI -- SUPPLEMENTARY PAYMENTS

A. The Company will pay, in addition to the applicable limit of liability:

1. Up to \$250 for loss of earnings to each individual Insured for each day or part of a day of such Insured's attendance at the Company's request at a trial, hearing or arbitration proceeding involving a Suit against such Insured for covered Damages, but the amount so payable for any one or series of trials, hearings or arbitration proceedings arising out of the same act, error or omission or Personal Injury shall in no event exceed \$5,000; and
2. Up to \$2,500 per Policy Period to each Insured for attorney fees, and other costs, expenses or fees resulting from the investigation or defense of a proceeding before a state licensing board, local real estate board or governmental regulatory body incurred as the result of a notice of a proceeding, excluding commission disputes, first received by the Insured and reported to the Company during the Policy Period, arising out of any act, error, omission or

Personal Injury in the rendering of or failure to render Professional Services by an Insured covered under this policy.

B. The Company will pay, as part of the applicable limit of liability:

Up to \$100,000 to the Insured for Damages and/or Claims Expenses as a result of all Claims reported to the Company during the Policy Period upon which Suit may be brought against such Insured for discrimination on the basis of age, sex, race, religion, marital status, national origin or sexual preference, including resulting Personal Injury.

This sub-limit shall be part of, and not in addition to the limit of liability stated on the Declarations Page.

The Company shall not be obligated to pay any Claims Expenses or Damages, or to defend any Suit, after the applicable \$100,000 sub-limit of the Company's liability has been exhausted.

## SECTION VII -- EXCLUSIONS

This insurance does not apply to Claims:

- A. Arising out of a dishonest, fraudulent, criminal or malicious act or omission, or intentional misrepresentation, (including, but not limited to, actual or alleged violations of state or federal anti-trust, price-fixing, restraint of trade or deceptive trade practice laws, rules or regulations) committed by, at the direction of, or with the knowledge of any Insured;
- B. Arising out of the insolvency or bankruptcy of any Insured;
- C. Based on or arising out of any disputes involving any Insured's fees, commissions or charges, the failure to pay or collect premium, escrow or tax money, or the conversion, misappropriation, commingling or defalcation of funds or other property.
- D. Made by an Insured against any other Insured, unless such Claim arises solely out of Professional Services performed for that party in an appraiser-client capacity;
- E. Based on or arising out of the tendering of or failure to render Professional Services by any Insured as employee, owner, partner, stockholder, director or officer of any sole proprietorship, partnership, Limited Liability Partnership/Corporation, corporation or other business enterprise not listed on the Declarations Page.
- F. Arising out of:
  - 1. Bodily Injury, sickness, disease or death of any person; or
  - 2. Physical injury, damage to or destruction of or loss of use of tangible property.
- G. Based on or arising out of any obligations for which an Insured or any carrier acting as his insurer may be liable under any workers' compensation, unemployment compensation, disability or pension benefits law, or any similar laws, including but not limited to, the Employee Retirement Income Security Act of 1974, Public Law 93-406 (ERISA), or any of its amendments, or any other similar state or local law, or any non-qualified plan, while any Insured is acting as a fiduciary within the meaning of said laws.
- H. Based on or arising out of any violation of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any state "blue sky" or securities law, or any similar state or federal statutes, including any rules or regulations promulgated thereunder;
- I. Based on or arising out of activities involving property syndication, real estate investment trusts, limited partnerships or similar investments;
- J. Based on or arising out of the sale or purchase of insurance, or the failure to effect or maintain adequate levels or types of insurance;
- K. Based on or arising out of liability assumed by an Insured under any oral or written contract or agreement, including any warranty, except that this exclusion shall not apply to liability the Insured would have in the absence of such contract, agreement or warranty;
- L. Arising out of activities of an Insured as a mortgage banker, mortgage counselor, mortgage broker, business broker, independent third party escrow agent, contractor, construction advisor, property developer, insurance agent, insurance broker, real estate agent, real estate broker, buyers broker, real estate consultant, real estate counselor or property manager;
- M. Involving real property owned by any Insured.
- N. Resulting from:
  - 1. Injury, disease or illness (including death at any time resulting therefrom);
  - 2. Damage to or reduction in financial value of any property; or
  - 3. Other loss or expense arising in whole or in part, out of or in any way related to Asbestos;
- O. Arising out of Personal Injury based on publications or utterances in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the Named Insured;
- P. Based on or arising out of or alleging infringement of any copyright, title, slogan, patent, trademark, trade name, trade dress, service mark or service name.
- Q. Arising out of any guarantee or promise of future status, performance or valuation in the course of performing Professional Services by the Insured;

R. Arising out of the alleged notarized certification or acknowledgement by any Insured of a signature on any document that the Insured did not witness being placed on the document.

S. Based on or arising from:

1. The inspection, evaluation or testing of, or the failure to inspect, evaluate or test for, any items listed in 4. a. through d. below;
2. The failure to discover or disclose any items listed in items 4. a. through d. below;
3. The actual, alleged or threatened inhalation of, ingestion or, contact with, exposure to, existence of, or presence of, any of the listed items in 4. a. through d. below on or within a building or structure, including its contents; or
4. The clean up, remediation, containment, removal or abatement of any items listed in a. through d. below:
  - a. any Fungus(i), Mold(s), mildew or yeast;
  - b. any Spore(s) or toxins created or produced by or emanating from such Fungus(i), Mold(s), mildew, or yeast;
  - c. any substance, vapor, gas or other emission of any organic or inorganic body or substance produced by or arising out of any Fungus(i), Mold(s), mildew, or yeast; and
  - d. any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure that contains, harbors, nurtures or acts as a medium for any Fungus(i), Mold(s), mildew, yeast, or Spore(s) or toxins emanating therefrom, regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence.

T. Based upon or arising from pollution or Pollutants, including:

1. Bodily Injury or Property Damage which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of Pollutants at any time.
2. Any loss, cost or expense arising out of any:
  - a. Request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of Pollutants; or
  - b. Claim of Suit by or on behalf of a governmental authority for Damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of Pollutants.

U. Based on or arising out of the gaining in fact of any personal profit or advantage to which the Insured is not legally entitled, including misappropriation, conversion, embezzlement, commingling or defalcation of funds or other property.

V. Arising out of, based upon or attributable to Bodily Injury, Personal Injury, or Property Damage from the installation, removal, disposal, handling, use or existence of, exposure to, contact with, or the ingestion of lead paint or any other substance or matter containing lead paint or the residue of lead paint.

W. Arising out of, based on, alleging or arising out of discrimination of any kind by an Insured, including but not limited to discrimination due to or on the basis of age, sex, race, color, religion, disability, marital status, pregnancy, national origin, HIV or AIDS status, sexual origin, sexual orientation, or sexual preference.

This exclusion does not apply to any coverage afforded by SECTION VI – SUPPLEMENTARY PAYMENTS, item B.

X. Based on or arising out of the Insured's unauthorized use of confidential, privileged or non-public material or information for any purpose whatsoever.

## SECTION VIII -- DEFINITIONS

When used in this policy (including endorsements forming a part of the policy):

**Alternative Dispute Resolution** means the use of mediation or non-binding arbitration proceedings in which the Insured participates with the consent of the Company.

**Asbestos** shall include but is not limited to: Asbestos or other mineral wools; Asbestos or mineral wool products, fibers, or dust; Asbestos or other mineral wools contained in products or materials.

**Bodily Injury** means bodily harm, sickness, disease, emotional distress or death that results to any person.

**Claim** means a demand for money, the filing of Suit or the institution of arbitration or mediation proceedings naming the Insured and alleging an act, error, omission or Personal Injury resulting from the rendering of or failure to render Professional Services.

**Claim** does not include proceedings seeking injunctive or other non-pecuniary relief, or administrative proceedings before any national, state, regional or local board of real estate agents, or any committee or sub-committee, except as provided in SECTION VI.B.

**Claims Expenses** means:

- (a) Fees charged by an attorney(s) designated by the Company and all other fees, costs, and expenses resulting from the investigation, adjustment, defense and appeal of a Claim, Suit or proceeding arising in connection therewith, if incurred by the Company, or by an Insured with written consent of the Company, but does not include salary charges or expenses of regular employees or officials of the Company, or fees and expenses of independent adjusters;
- (b) All costs taxed against an Insured in such Suits, and all interest on the entire amount of any judgment which accrues after entry of the judgment and before the Company has paid, tendered or deposited, whether in court or otherwise, the part of the judgment which does not exceed the limit of the Company's liability;
- (c) Prejudgment interest which, when payable under this policy, will be in addition to the limits of liability stated on the Declarations Page; or

- (d) Premiums on appeal bonds and premiums on bonds to release attachments in such Suits, but not premiums for bond amounts in excess of the applicable limit of liability of this policy. Notwithstanding the foregoing, the Company shall have no obligation to pay for or furnish any bond.

**Damages** means compensatory judgments, settlements or awards, but does not include punitive or exemplary damages, fines or penalties, sanctions, the return of fees or other consideration paid to the Insured, or that portion of any award or judgment caused by the trebling or multiplication of actual damages under federal or state law.

However, if a Suit is brought against an Insured with respect to a Claim for alleged acts, errors or omissions falling within the scope of coverage afforded by this policy, and such Suit seeks both compensatory and punitive or exemplary Damages, then the Company will afford a defense to such action without liability for payment of such punitive or exemplary Damages.

**Fungus(i)** means any type or form of fungus, and including Mold or mildew and any mycotoxins, Spores, scents, byproducts produced or released by fungi, smuts, rust, or mushrooms.

**Insured** means any person or organization qualifying as an Insured under SECTION II - PERSONS INSURED of this policy. The insurance afforded applies separately to each Insured against whom Claim is made or Suit is brought except with respect to the limit of the Company's liability.

**Limited Liability Partnership/Corporation** means a type of business organization, governed by State law, that protects a partner or member from personal liability for negligent acts committed by other partners, members or employees not under his/her direct control.

**Mold(s)** means any superficial growth produced on damp or decaying organic matter or on living organisms, and Fungi that produce Mold.

**Named Insured** means the person or organization named in Item 1. of the Declarations Page.

**Personal Injury means:**

- (a) false arrest, detention or imprisonment, wrongful entry or eviction, other invasion of private occupancy, or malicious prosecution; or
- (b) the publication or utterance of a libel, slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy.

**Policy Period means** the period from the inception date of this policy to the policy expiration date as set forth on the Declarations Page, or its earlier termination date, if any.

**Pollutants means** any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**Professional Services means** services performed by an Insured in an Insured's capacity as an appraiser of real estate. It includes incidental services rendered by any Insured as a notary public, or as a member of a formal accreditation committee, standards review committee or similar board or committee.

**Property Damage means** physical injury to, destruction of or loss of tangible property.

**Spores means** any dormant or reproductive body produced by or arising or emanating out of any Fungus(i), Mold(s), mildew, plants or organisms or microorganisms.

**Suit means** a civil adjudicatory proceeding in a court of law.

**SECTION IX -- AUTOMATIC EXTENDED REPORTING and EXTENDED REPORTING OPTIONS**

**A. Automatic Extended Reporting Period:**

In case of cancellation or non-renewal of this policy by the Named Insured or the Company, for any reason, an automatic sixty (60) day extended reporting period, effective at the termination of the Policy Period, will be provided by the Company at no additional cost. This Automatic Extended Reporting Period will only be provided if the policy has not been replaced with another policy issued by an unrelated insurance carrier. This Automatic Extended Reporting Period shall extend the time in which an Insured can give written notice to the Company of Claims first made against the Insured during this Automatic Extended Reporting Period for any act, error, omission or Personal Injury in the rendering of or failure to render Professional Services which happen prior to the termination of the Policy Period, subject to its terms, limitations, exclusions and conditions.

**B. Extended Reporting Period Option:**

In the case of:

- 1. Cancellation or nonrenewal of this policy by the Named Insured or the Company for any reason other than:
  - a. flat cancellation by the Company effective at policy inception for non-payment of premium;
  - b. cancellation by the Company effective mid-term for non-payment of any premium;
  - c. failure to comply with policy provisions;
  - d. non-payment of a deductible;
  - e. failure to cooperate with us; or

f. fraud, concealment or material misrepresentation of facts in any application for this policy or any renewal policy for this insurance; or

- 2. the Company advancing a prior acts date from that previously provided by the Company in a predecessor insurance policy,

the Named Insured shall have the right to extend the time during which Claims can be reported for an additional premium of:

- (a) 100% of the full annual premium for this policy, by a period of twelve (12) months, or
- (b) 135% of the full annual premium for this policy, by a period of twenty-four (24) months, or
- (c) 150% of the full annual premium for this policy, by a period of thirty-six (36) months

following the effective date of such cancellation or non-renewal in which to give written notice to the Company of Claims first made against the Insured during this Extended Reporting Period Option for any negligent act, error, omission or Personal Injury in the rendering of or failure to render Professional Services occurring prior to the termination of the final Policy Period, subject to its terms, limitations, exclusions and conditions. This right shall terminate, however, unless written notice of such election together with the additional premium is received by the Company or its authorized agent from the Named Insured within sixty (60) days after the effective date of cancellation or nonrenewal.



- C. Retiree Extended Reporting Period Option**  
 If the Named Insured is designated in Item 5. of the Declarations Page:
1. As an independent contractor and shall cancel or fail to renew this policy due to retirement of the Named Insured from active business; or
  2. As a sole proprietorship and shall cancel or fail to renew this policy due to retirement of the Named Insured from active business; or
  3. As a partnership, Limited Liability Partnership, or Corporation and shall cancel or fail to renew this policy due to dissolution of the partnership, or corporation,

Then the Named Insured shall have the right to have an endorsement issued extending the reporting period for this policy for an additional premium of 160% of the full annual premium for this policy, to an unlimited period following the effective date of such cancellation or non-renewal in which to give written notice to the Company of Claims first made against the Insured during this Extended Reporting Period for any act, error, omission or Personal Injury occurring prior to the termination of the final Policy Period, subject to its terms, limitations, exclusions and conditions. This right shall terminate, however, unless written notice of election together with the additional premium is

received by the Company or its authorized agent from the Insured within sixty (60) days after the effective date of cancellation or non-renewal.

- D. Termination of Any Extended Reporting Period Option**  
 At the commencement of any Extended Reporting Period, the entire premium shall be deemed earned and the Company shall not be liable to return to the Insured any portion of the premium for any Extended Reporting Period.

- E. Miscellaneous**  
 The fact that the period during which Claims must be first made against the Insured under this policy is extended by virtue of any Extended Reporting Period shall not in any way increase the Limit of Liability of this policy. The Limit of Liability available under any Extended Reporting Period shall be part of, and not in addition to, the Limit of Liability available under the last policy issued to the Named Insured. Any Extended Reporting Period shall not extend the Policy Period. Furthermore, the Automatic Extended Reporting Period does not extend the time to purchase the Extended Reporting Period Option. The Deductible amount shown in Item 5. of the Declarations Page shall apply to any Extended Reporting Period.

**SECTION X -- GENERAL CONDITIONS**

- A. Premium:** All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plans, premiums and minimum premiums applicable to this insurance. The Named Insured shall maintain records of the information necessary for premium computation and shall send copies of such records to the Company at such times as the Company may direct.
- B. Assistance and Cooperation of Insured:** Immediately upon any Insured becoming aware of any act, error, omission or Personal Injury in the rendering of or failure to render Professional Services which could reasonably be expected to be the basis of a Claim, written notice shall be given by the Insured, or its representatives, to the Company, together with the fullest information obtainable. If Claim is made or Suit is brought against any Insured, the Insured or its representatives shall immediately forward to the Company every demand, notice, summons or other process received by the Insured or the Insured's representative.

All Insureds shall cooperate with the Company and, upon the Company's request, assist in making settlements, in the conduct of Suits and in enforcing any right of contribution or indemnity against any person, organization or other insurer which may be liable to the Insured or the Company for Damages or Claim Expenses.

The Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. No Insured shall, except at the Insured's own cost, voluntarily make any payments, assume any obligation or incur any expense. The Insured may provide for Alternative Dispute Resolution with a client under an engagement letter or any other written contract as long as such agreement is executed in writing prior to any Claim or potential Claim.

The Insured will consent to the submission of special verdict forms or other written inquiries to the trier of fact for the purpose of determining the basis for the Insured's liability and any Damages awarded if Suit or any other proceeding is brought on the Claim.

