REGISTERED INVESTMENT ADVISORS PROFESSIONAL LIABILITY POLICY

MASTER POLICY FORM

NOTICE:

THIS IS A CLAIMS-MADE AND REPORTED MASTER POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST AN INSURED AND REPORTED TO THE INSURER IN ACCORDANCE WITH SECTION VII, NOTICE. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE INSURED'S CERTIFICATE PERIOD UNLESS, AND TO THE EXTENT THAT, THE EXTENDED REPORTING PERIOD APPLIES. DEFENSE COSTS REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION. PLEASE REVIEW THE MASTER POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

The Insurer and the **Policyholder** agree as follows, in consideration of the payment of the premium and in reliance upon all statements made in the **Application** furnished to the Insurer designated in the Declarations, a stock insurance corporation, hereafter called the "Insurer".

I. INSURING AGREEMENT

PROFESSIONAL LIABILITY

The Insurer shall pay on behalf of the **Insureds**, excess of the applicable Retention and within the Limits of Liability as stated in the applicable **Certificate of Insurance** that **Loss** which the **Insureds** become legally obligated to pay resulting from a **Claim** for a **Wrongful Act** solely in rendering or failing to render **Professional Services** provided that:

1. the **Wrongful Act** giving rise to such **Claim** occurred on or after the **Prior Acts Date**; and
2. the **Claim** is first made against any **Insured** during the **Certificate Period**, or any Extended Reporting Period, if applicable, and reported to the Insurer in accordance with Section VII, NOTICE; and
3. prior to the date of the **Insured's** initial enrollment under this Master Policy, or under any other policy issued by the Insurer (or its affiliated insurers) of which this Master Policy is a renewal (whether successive or not) or replacement, whichever is earlier, no **Insured** knew of, or could have reasonably foreseen that any such **Wrongful Act** could result in a **Claim**; and
4. no **Insured** gave notice under any prior policy of any such **Wrongful Act** or any **Interrelated Wrongful Acts**; and
5. there is no other policy issued by the Insurer, or any affiliate of such Insurer, that provides coverage for such **Claim**.

II. DEFENSE

A. Defense of **Claims**

1. If a **Claim** is made against the **Insured** within the United States of America, its territories or possessions or Canada, the Insurer shall have the right and duty to defend such **Claim**, even if any of the allegations of the **Claim** are groundless, false or fraudulent. The Insurer may make

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such investigation and negotiate settlement of any **Claim** it deems expedient, but the Insurer shall not be obligated to pay any **Loss** to defend or continue to defend any **Claim** after the applicable limit of the Insurer's liability has been exhausted by payment of **Loss**.

2. If a **Claim** is made against the **Insured** outside of the United States of America, its territories or possessions or Canada, the Insurer shall indemnify the **Insured** pursuant to the terms, conditions, provisions and exclusions of the Master Policy, but shall not have the duty to defend the **Insured**. The Insurer shall instead reimburse **Defense Costs** incurred by the **Insured** in defending such **Claims**. In connection with such **Claims**, the **Insured** shall obtain the Insurer's consent to the selection of counsel, including counsel rates, and ensure that counsel complies with CNA's *Defense Counsel Guidelines*. CNA shall have the right, but not the duty, to associate with the **Insured** in the defense of any such **Claim**.

B. Insurer's Consent

The **Insured** shall not admit liability, consent to any judgment, agree to any settlement, make any settlement offer, assume any obligation or incur any default judgment or award without the Insurer's prior consent, which consent shall not be unreasonably withheld. The Insurer shall not be liable for any **Loss** incurred by the **Insured** to the extent the **Loss** results from such **Insured** admitting liability, consenting to any judgment, agreeing to any settlement, making any settlement offer or incurring expenses without the Insurer's prior consent. The **Insureds** agree that they shall not knowingly take any action which increases the Insurer's exposure for **Loss** under this Master Policy resulting from any **Claim**.

C. Arbitration

The **Insured** shall not demand or agree to arbitration of any **Claim** made against the **Insured** without the written consent of the Insurer, except with respect to arbitration between an **Insured** and a **Client**. In the event any **Claim** is submitted to arbitration, the Insurer, as soon as practicable, shall notify the **Insured** of the date of the arbitration hearing. The Insurer shall be entitled to exercise all of the **Insureds'** rights in the choice of arbitrators and in the conduct of any arbitration proceeding involving a **Claim** covered by this Master Policy.

III. DEFINITIONS

Wherever appearing in bold print in this Master Policy:

Accredited Investor shall mean the most recent definition provided by the Securities and Exchange Commission at the time the **Wrongful Act** giving rise to a **Claim** occurred.

Administration of Employee Benefit Plans means consultation with participants in an employee benefit plan in order to explain the provisions of such plan and handling day-to-day ministerial functions required by such plan, including without limitation enrollment, record keeping and filing reports with government agencies. **Administration of Employee Benefit Plans** also includes third party claims administration.

Agent or General Agent, whether used separately or together, means a natural person:

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A. who, at the time of the **Wrongful Act** giving rise to the **Claim**, had a life agent contract with an Insurance Company rated A- or better; and

B. who has elected to enroll for coverage under this Master Policy or any policy issued by the Insurer of which this Master Policy is a renewal; and

C. whose enrollment is on file with the **Policyholder**.

Agent or General Agent also includes any corporation, partnership, or other business entity owned or controlled by such natural person referred to in A. B. or C. of this definition, but solely with respect to the liability of such entity as it arises out of the rendering of or failing to render **Professional Services** by an **Agent or General Agent**, as defined in A. B. or C. of this definition.

Application means all signed applications for this Master Policy and for any policy in an uninterrupted series of policies issued by the Insurer or any affiliate of the Insurer of which this Master Policy is a renewal or replacement. An "affiliate of the Insurer" means an insurer controlling, controlled by or under common control with the Insurer.

Broker/Dealer means any securities broker or dealer as those terms are defined in the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, or the Investment Advisors Act of 1940, as amended.

Certificate of Insurance means the document issued to the **Named Insured** or **Insured Investment Advisor Representative** evidencing the terms, limits, premium and endorsements provided to the **Insureds** thereunder.

Certificate Period means the period of time between the inception date shown on the **Certificate of Insurance** and the effective date of termination, expiration or cancellation of the **Certificate of Insurance** issued to the **Named Insured** or **Insured Investment Advisor Representative.**

Claim means:

A. a written demand for monetary damages; or

B. a civil adjudicatory or arbitration proceeding for monetary damages,

against an **Insured** for a **Wrongful Act**, including any appeal thereof, brought by or on behalf of or for the benefit of any **Client**.

Class Action Claim means a **Claim** under which one party, or a group of parties, sues as a representative of a larger class. Such **Claims**, when brought in federal court, are governed by Federal Rule of Civil Procedure 23.

Client means a natural person to whom, or entity to which, **Professional Services** are rendered by an **Insured**. **Client** does not include any Insurance Company, Insurance Agent or **Broker/Dealer**.

Corporate Registered Investment Advisor means a corporation registered as an investment Advisor under the Investment Advisors Act of 1940.

Defense Costs means reasonable and necessary fees and expenses incurred by or at the direction of the Insurer in defense of any **Claim**, and costs of appeal, attachment or

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similar bonds. The Insurer has no obligation to provide such bonds. **Defense Costs** shall not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers and employees of the **Insured**, or fees and expenses of independent adjusters.

Domestic Partner means any person qualifying as such under any federal, state or local laws or under any **Insured** entity's employee benefit plans.

Due Diligence Services means services in connection with an independent investigation of representations made by an issuer of securities approved by a **Broker/Dealer**, in order to determine (i) the accuracy of such representations in connection with the purchase or sale of such securities; or (ii) the advisability of purchasing such securities.

Insured means the **Named Insured** and

1. an **Investment Advisor Representative**, however, with respect to **Investment Advisor Representative**:

    a. no coverage is afforded for **Wrongful Acts** occurring at any time when the **Investment Advisor Representative** of the **Named Insured Registered Investment Advisor**:

        i. was not an **Investment Advisor Representative** of the **Named Insured Registered Investment Advisor**; or

        ii. was selling products or services not offered by or not listed on the securities platform of the **Broker Dealer** with whom the Insured **Registered Investment Advisor** or **Investment Advisor Representative** has a contract;

        and

    b. no coverage is afforded for any person or entity listed in a. above who, on the date he or she signed the application, did not meet the underwriting criteria contained in the application.

2. any natural person who is a former or current secretarial, clerical or administrative employee, of such **Named Insured** or any **Insured** as set forth in paragraph 1. above, but solely for services performed within his or her capacity as such and on behalf of such **Insured**, provided such natural person did not receive any commission income pursuant to an agent, broker, registered representative, registered investment Advisor or investment Advisor representative contract with any insurance company or **Broker/Dealer** as a result of providing **Professional Services** offered by such **Insured.**

Interrelated Wrongful Acts means any **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.

Investment Advisor Representative means a natural person who holds a valid Series 65 or 66 securities license, pursuant to the Investment Advisors Act of 1940, as amended; is supervised by a **Registered Investment Advisor** who solicits, meets or communicates with **Clients** of such **Registered Investment Advisor** on a regular basis and provides investment advice on behalf of and under the control of such **Registered Investment Advisor** and, who, at the time of the **Wrongful Act** giving rise to the **Claim**, was enrolled for coverage under this Master Policy and paid the premium.

Investment Advisory Services means advisory services provided by a **Registered Investment Advisor** or **Investment Advisor Representative** with respect to securities

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approved by any B**roker Dealer** as long as such securities are listed on the securities platform of the **Broker Dealer** and approved in writing. **Investment Advisory Services** does not include the sale or attempted sale or servicing of securities that are sold independent or a written **Registered Investment Advisor** contract to provide **Investment Advisory Services to** a **Client.** Investment Advisory Services also means those services provided by a **Registered Investment Advisor** or **Investment Advisor Representative** when acting in the capacity as an **Agent or General Agent**.

Loss means monetary settlements or monetary judgments (including any award of pre-judgment and post-judgment interest) and **Defense Costs** for which the **Insured** is legally obligated to pay on account of a covered **Claim**.

However, **Loss** shall not include:

A. criminal or civil fines or penalties imposed by law or taxes. However, **Loss** shall include any taxes, fines, and penalties incurred by a third party and included in such third party's **Claims** against the **Insured**;

B. any amounts for which there are no legal recourse against the **Insureds**;

C. punitive or exemplary damages or the amount of any multiplied damage award which is in excess of the damage award so multiplied;

D. costs incurred as a result of any injunctive relief;

E. the return of commissions, fees or charges for services rendered by an **Insured**; or

F. matters which are uninsurable under the law pursuant to which this Master Policy shall be construed.

Named Insured means: the **Registered Investment Advisor** named in the **Certificate of Insurance**

Personal Injury means injury or damage sustained by any person or organization caused by or arising out of:

A. false arrest, detention or imprisonment, or malicious prosecution;

B. libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy; or

C. wrongful entry or eviction, or other invasion of the right of private occupancy.

Policy Period means the period from the effective date of this Master Policy as specified in the Declarations to the date the Master Policy is terminated as set forth in Section VIII. Termination of Master Policy.

Policyholder means the natural person or organization specified in Item 1a. of the Declarations.

Pollutants mean any substance exhibiting hazardous characteristics as or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. **Pollutants** also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including

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smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products or any noise.

Prior Acts Date means: the date the **Insured** became continuously insured without interruption under any claims made professional liability policy (subject to written proof of such coverage at the time the **Insured** gives written notice to the Insurer of a **Claim** under this Master Policy);

Private Placement means a security which is exempt from registration with the Securities and Exchange Commission as promulgated under Regulation D of the Securities Act of 1933, as amended, and meets all rules and conditions set forth under Regulation D;

Professional Services means only the following services to the extent they are provided in the **Insured's** capacity as a **Registered Investment Advisor** or **Investment Advisor Representative** and only to the extent that the **Registered Investment Advisor,** or **Investment Advisor Representative** has the appropriate license in both the **Client's** resident state or jurisdiction and the state or jurisdiction in which the business is conducted:

1. the sale, attempted sale or servicing of variable annuities, variable life insurance (that requires a securities license) and mutual funds that are registered with the Securities Exchange Commission, if required, through a **Broker/Dealer** that is a member of the Financial Industry Regulatory Authority; but only if such coverage is purchased and shown on **Certificate of Insurance**;

2. **Investment Advisory Services**;

3. the sale or attempted sale or servicing of securities (other than variable annuities, variable life insurance and mutual funds) approved by and offered on the securities platform of the **Broker/Dealer** with whom the **Registered Investment Advisor** or **Investment Advisor Representative** has a contract;

4. **Administration of Employee Benefit Plans**;

5. financial planning activities in conjunction with services described in paragraphs 1. through 4. of this definition, whether or not a separate fee is charged;

6. Services performed as a Fiduciary Advisor as defined in the Pension Protection Act of 2006, and any amendment thereof; or

7. Only the following services as a natural person **Agent or General Agent**, to the extent they are provided in the course and scope of the **Insured's** business as an **Agent or General Agent** and such **Agent or General Agent** has the appropriate license in both the **Client's** resident state or jurisdiction and the state or jurisdiction in which the business is conducted but only if such coverage is purchased and shown on **Certificate of Insurance**:

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a. the sale, attempted sale or servicing of life insurance, accident and health insurance, or managed health care organization contracts (that does not require a securities license);
b. the sale, attempted sale or servicing of disability income insurance;
c. the sale, attempted sale or servicing of indexed/fixed annuities;
d. the sale, attempted sale or servicing of Medicare Advantage or Medicare Supplemental Insurance;
e. financial planning activities in conjunction with services described in paragraphs 1. through 4. of this definition, whether or not a separate fee is charged;
f. the supervision, management and training of an **Agent** by a **General Agent** with respect to activities otherwise covered by this Master Policy.

Registered Investment Advisor means:

1. a natural person, or any corporation, partnership or other business entity owned or controlled by such individual providing **Investment Advisory Services** in its capacity as an Investment Advisor registered as such under the Investment Advisors Act of 1940, as amended;
2. who, at the time of the **Wrongful Act** giving rise to the **Claim**, was enrolled for coverage under this Master Policy and to whom a **Certificate of Insurance** has been issued; and
3. whose enrollment is on file with the **Policyholder**.

Wrongful Act means any negligent act, error or omission of, or **Personal Injury** caused by, the **Insureds** in rendering or failing to render **Professional Services**.

IV. EXTENDED REPORTING PERIOD

A. If during the **Certificate Period** a **Registered Investment Advisor** or **Investment Advisor Representative** ceases their status as such with the **Policyholder**, such **Registered Investment Advisor** or **Investment Advisor Representative** shall have an unlimited Automatic Extended Reporting Period, beginning on his/her date of termination, during which time coverage for such **Registered Investment Advisor** or **Investment Advisor Representative** shall continue in accordance with the terms and conditions of this Master Policy, but only with respects to **Wrongful Acts:** (i) committed after the **Prior Acts Date** as defined in the Master Policy; (ii) committed before his/her termination date; and (iii) which are **Wrongful Acts** otherwise covered under the terms and conditions of this Master Policy.

B. A **Registered Investment Advisor** or **Investment Advisor Representative** shall not be entitled to such Automatic Extended Reporting Period if he or she, at the time any **Claim** is made, is enrolled in any broker, dealer, life agent, registered representative, registered investment Advisor, financial planning or professional liability policy, other than this Master Policy, whether or not that policy actually affords coverage for the **Claim** in question.

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C. A **Registered Investment Advisor** or **Investment Advisor Representative** shall not be entitled to such Automatic Extended Reporting Period if the Insurer has cancelled such **Registered Investment Advisor's** or **Investment Advisor Representative's Certificate of Insurance** for non payment of premium when due.

V. ESTATES, LEGAL REPRESENTATIVES AND SPOUSES

The estates, heirs, legal representatives, assigns spouses or **Domestic Partners** of **Insureds** shall be considered **Insureds** under this Master Policy; provided however, that coverage is afforded to such estates, heirs, legal representatives, assigns, spouses or **Domestic Partners** only for a **Claim** arising solely out of their status as such and, in the case of a spouse or **Domestic Partner**, where such **Claim** seeks damages from marital community property, jointly-held property or property transferred from the **Insured** to the spouse or **Domestic Partner**. No coverage is provided for any **Wrongful Act** of an estate, heir, legal representative, assign spouse or **Domestic Partner**. All terms and conditions of this Master Policy, including without limitation the retention applicable to **Loss** incurred by the **Insured** shall also apply to **Loss** incurred by such estates, heirs, legal representatives, assigns, spouses or **Domestic Partners**.

VI. LIMIT OF LIABILITY, RETENTION AND ALLOCATION

A. Each **Claim** and Aggregate per **Certificate of Insurance**

The Limit of Liability set forth in each **Certificate of Insurance** shall apply as follows:

1. Each **Claim-** per **Certificate of Insurance**

Subject to paragraph 2. below, the Limit of Liability of the Insurer for **Loss** for each covered **Claim** shall not exceed the amount stated in such **Insured's Certificate of Insurance**.

2. Aggregate – per **Certificate of Insurance**

The Limit of Liability of the Insurer for **Loss** for all **Claims** in the aggregate shall not exceed the amount stated in such **Insured's Certificate of Insurance**.

B. Multiple **Insureds**

The Limits of Liability, shown in each **Certificate of Insurance**, shall be the Insurer's maximum Limit of Liability for all **Insureds** thereunder, regardless of the number of **Insureds, Claims** made or persons or entities making **Claims.**

C. Exhaustion of Limit of Liability

The Insurer's obligations under each **Certificate of Insurance** shall be deemed completely fulfilled and extinguished if the Limit of Liability thereunder is exhausted by payment of **Loss**.

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D. Retention

Subject to the applicable Limit of Liability, the Insurer shall pay all covered **Loss** excess of all applicable Retentions, if any, set forth in the **Insured's Certificate of Insurance**. If more than one Retention is applicable to any single **Claim**, the maximum aggregate Retention for such **Claim** shall be the largest of such Retentions.

If the Insurer, in the exercise of its discretion and without any obligation to do so, pays any amount within the amount of the applicable Retention, the **Insured** shall be liable to the Insurer for any and all such amounts and, upon demand, shall pay such amounts to the Insurer.

E. **Interrelated Wrongful Acts**

More than one **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as one **Claim** which shall be deemed to have been made on the earlier of:

1. the date on which the earliest such **Claim** was first made; or

2. the first date valid notice was given by an **Insured** and received by the Insurer under this Master Policy of any **Wrongful Act** or under any prior policy of any **Wrongful Act** or any fact, circumstance, situation, event or transaction which underlies any such **Claim**.

F. Allocation

If a **Claim** made against the **Insureds** includes both covered and uncovered matters or if a **Claim** is made against **Insureds** who are extended coverage under this Master Policy and others who are not extended coverage therefor under this Master Policy, the **Insureds** agree that there must be an allocation between insured and uninsured **Loss** (other than that part of **Loss** attributable to **Defense Costs**). The **Insureds** and the Insurer shall exert their best efforts to agree upon a fair and proper allocation between such insured and uninsured **Loss** based upon the relative legal exposures of the parties to such matters.

VII. NOTICE

A. If a **Claim** is made against any **Insured**, the **Insured** shall, as soon as practicable, notify the Insurer during the applicable **Certificate Period** or during a consecutive, immediately following **Certificate Period** and forward to the Insurer every demand, notice, summons, or other process received. The limits of insurance for the **Certificate Period** in effect on the date the **Claim** is reported to the Insurer shall apply.

In addition, in the event of cancellation or non-renewal of the **Certificate of Insurance**, the **Insured**, may report **Claims** made against the **Insured** during the **Certificate Period** or within 30 days immediately following the cancellation or non-renewal of such **Certificate of Insurance**.

In no event, however, shall the Insurer be responsible to pay any **Loss** in connection with any default judgment entered against an **Insured** prior to notice

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to the Insurer or as a result of untimely notice to the Insurer nor shall the Insurer be responsible to pay any **Loss** in connection with any **Claim** in which the Insurer's interests have been prejudiced because of the **Insured's** failure to supply timely notice to the Insurer.

B. If, during the **Certificate Period** the **Insured** first becomes aware of specific **Wrongful Acts** which may reasonably give rise to a future **Claim** and during such period give written notice to the Insurer of:

1. the names of the potential claimants and a description of the specific **Wrongful Act** which forms the basis of their potential **Claim**;
2. the identity of the specific **Insureds** allegedly responsible for such specific **Wrongful Act**;
3. the consequences which have resulted or may result from such specific **Wrongful Act**;
4. the nature of the potential monetary damages or non-monetary relief which may be sought in consequence of such specific **Wrongful Act**; and
5. the circumstances by which the **Insureds** first became aware of such specific **Wrongful Act**,

then any **Claim** otherwise covered under this Master Policy which is subsequently made against the **Insureds** and which arises out of such **Wrongful Act** shall be deemed to have been first made at the time such written notice was received by the Insurer. No coverage is provided for a **Claim** resulting from such **Wrongful Act** until such time as such **Claim** is reported to the Insurer in accordance with paragraph A. above.

C. Except as provided in paragraph B. above, a **Claim** shall be deemed to be made

1. in the case of a civil proceeding or arbitration, on the earliest of the date of service upon or other receipt by any **Insured** of a complaint or similar document against the **Insured** in such proceeding or arbitration; or
2. in the case of a written demand for monetary damages, on the **Insured's** receipt of notice of such demand.

D. The **Insureds** shall give written notice to the Insurer at the address specified of the **Certificate of Insurance**, which shall be effective upon receipt.

E. The **Insureds** shall furnish the Insurer with copies of reports, investigations, pleadings, and all related papers and such other information, assistance and cooperation as the Insurer may reasonably request. The **Insureds** agree to cooperate with the Insurer, and provide all assistance and information reasonably requested by the Insurer. When requested by the Insurer, the **Insureds** shall submit to examination by a representative of the Insurer, under oath if required, and shall attend hearings, depositions, and trials and shall assist in the conduct of **Claims** including but not limited to effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, giving written statements to the Insurer's representatives and meeting with such representatives for the purpose of investigation or defense, all of the above without charge to the Insurer.

VIII. TERMINATION OF MASTER POLICY

Termination of Master Policy

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This Master Policy shall remain continuously in effect until canceled by the Insurer or by the **Policyholder** as follows:

1. The Insurer may cancel this Master Policy for any reason by providing to **Policyholder** written notice stating when, not less than 60 days thereafter, such cancellation shall be effective.

2. This Master Policy may be canceled by the **Policyholder** by surrender of this Master Policy to the Insurer or by giving written notice to the Insurer stating when thereafter such cancellation shall be effective. The making of such notice by registered, certified or other first class mail, to the Insurer at the address shown in the **Certificates of Insurance**, shall be sufficient proof of notice and this Master Policy shall terminate at the date and hour specified in such notice.

Certificates of Insurance in effect at the time of cancellation of the Master Policy shall remain in effect until the expiration date of the **Certificate of Insurance** as set forth in the **Certificate of Insurance** and **Claims** submitted under such **Certificates of Insurance** shall be otherwise governed by this Master Policy. In such event, each **Named Insured or Insured Investment Advisor Representative** will be notified of non-renewal pursuant to the requirements of the Cancellation/Nonrenewal Endorsement attached to such **Certificate of Insurance**.

IX. OTHER INSURANCE

If any **Loss** resulting from any **Claim** is insured under any other policies, this Master Policy shall apply only to the extent the **Loss** exceeds the Limit of Liability under such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over this Master Policy.

X. SUBROGATION AND RECOVERY

In the event of any payment under this Master Policy, the Insurer shall be subrogated to all the **Insured's** rights of recovery therefore against any person or organization, and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing to prejudice such rights. Any amount recovered in excess of the Insurer's total payment shall be restored to the **Insured**, less the cost to the Insurer of recovery.

XI. CHANGES

Notice to any agent or knowledge possessed by an agent or by any other person shall not affect a waiver or a change in any part of this Master Policy, or stop the Insurer from asserting any right under the provisions of this Master Policy. The provisions of this Master Policy shall not be waived, changed or modified except by endorsement issued to form a part of this Master Policy.

XII. NO ACTION AGAINST INSURER

No action shall be taken against the Insurer unless, as a condition precedent thereto, the **Insured** shall have fully complied with all terms of this Master Policy, or until the amount

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of the **Policyholder'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 Master Policy to the extent of the insurance afforded by this Master Policy. Nothing contained in this Master Policy shall give any person or organization any right to join the Insurer in any action against the **Insured** to determine the **Insured's** liability, nor shall the Insurer be impleaded by the **Insured** or their legal representative in any such **Claim**.

XIII. ASSIGNMENT OF INTEREST

Assignment of interest under this Master Policy shall not bind the Insurer unless its consent is endorsed to this Master Policy.

XIV. TERRITORY

Except as provided in Section II. DEFENSE, Paragraph A.2., this Master Policy applies to **Wrongful Acts** which happen anywhere in the world, but only with respect to **Claims** made or suits brought against the **Insured** in the United States of America, its territories or possessions, or Canada.

XV. ENTIRE AGREEMENT

The **Policyholder** agrees that this Master Policy, including the **Application**, any materials submitted or required to be submitted therewith, and any written endorsements attached, constitute the entire contract existing between **Insureds** and the Insurer or any of its agents relating to this insurance.

XVI. EXCLUSIONS

The Insurer shall not be liable to pay any **Loss** in connection with any **Claim**:

A. **Prior Litigation**

based upon, directly or indirectly arising out of, or in any way involving facts alleged in any litigation against the **Insured** pending on or prior to the inception date of such **Insured's Certificate of Insurance**;

B. **Wrongful Acts of Broker/Dealers**

based upon, directly or indirectly arising out of, or in any way involving any actual or alleged **Wrongful Acts** or **Interrelated Wrongful Acts** by, or liability of, any **Broker/Dealer**;

C. **Claims by Specified Persons or Entities**

by or on behalf of, or for the benefit of, whether directly or indirectly,

1. any parent, spouse, **Domestic Partner**, or child of the **Insured**
2. an entity in which one or more **Insureds**, at the time of the **Wrongful Act** giving rise to a **Claim**:
    - i. had a total of ten percent (10%) or more equity interest, or
    - ii. operated, controlled, or managed;

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3. an individual or entity which has, or did have at the time of the **Wrongful Act**, a total of ten percent (10%) or more equity interest in an entity **Insured** or operates, controls or manages an entity **Insured**;
4. any past or present **Insured**, whether it be an individual, class or derivative action, except and to the extent that such **Claim** is by an **Insured** in his or her capacity as a **Client**;
5. any clearing agency or arising out of any function of any **Insured** as a clearing agency;
6. any **Broker/Dealer** other than one which buys, sells or trades in securities exclusively as a principal for its own account;
7. any governmental or quasi-governmental official or agency, including but not limited to any state or federal securities or insurance commission or agency, in any capacity;
8. any self-regulatory organization including, but not limited to, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Securities Investor Protection Corporation, in any capacity,

provided, however, that paragraphs 7. and 8. above shall not apply to any **Claim** by an official of such agency or organization if such official is bringing the **Claim** in his or her capacity as a direct **Client** of an **Insured** and not as an official of such agency or organization;

D. **Intentional Acts**

based upon, directly or indirectly arising out of, or in any way involving any actual or alleged dishonest, fraudulent, criminal, malicious, purposeful or intentional act, error or omission, or any actual or alleged willful violation of any statute or law as determined by a final adjudication in the underlying action or in a separate action or proceeding;

For purposes of determining the applicability of this Exclusion:

1. the facts pertaining to and knowledge possessed by any natural person **Insured** shall not be imputed to any other natural person **Insured**; and
2. only facts pertaining to and knowledge possessed by any executive officer shall be imputed to the **Insured** entity;

E. **Bodily Injury/Property Damage**

based upon, directly or indirectly arising out of, or in any way involving any actual or alleged bodily injury, sickness, disease, emotional distress, mental anguish or death of any person, or damage to or destruction of any tangible property, including loss of use thereof;

F. **Contractual Liability/Promises/Guarantees**

based upon, directly or indirectly arising out of, or in any way involving actual or alleged

1. liability of others assumed by an **Insured** under any contract or agreement; provided, however, that this paragraph shall not apply to the extent that the liability would attach to an **Insured** in the absence of such contract or agreement; or

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2. making or stating of any promises or guarantees as to interest rates or fluctuations in interest rates, the market value of any investment or insurance product, or future premium payments;

G. **Specified Services**

based upon, directly or indirectly arising out of, or in any way involving actual or alleged:

1. performance of or failure to perform services by the **Insured** as:
   a. an actuary, accountant, attorney, property or casualty agent, real estate agent, or third party administrator; or
   b. a market maker or specialist in any securities; or
2. tax advice provided by the **Insured** except to the extent that such tax advice is an incidental part of the **Professional Services** being rendered;

H. **Premium/claim/tax monies**

based upon, directly or indirectly arising out of, or in any way involving:

1. the **Insured**'s inability or refusal to pay or collect premium, claim or tax monies; or
2. a dispute over fees, commissions or charges, including without limitation the structure of fees or excessive fees; however, this paragraph 2. shall not apply to surrender charges;

I. **Commingling/Illegal Profit**

based upon, directly or indirectly arising out of, or in any way involving:

1. any actual or alleged commingling or use of **Client** funds; or
2. any actual or alleged profit, remuneration or pecuniary advantage gained by any **Insured**, to which the **Insured** was not legally entitled;

as determined by a final adjudication in the underlying action or in a separate action or proceeding

For purposes of determining the applicability of this Exclusion:

1. the facts pertaining to and knowledge possessed by any natural person **Insured** shall not be imputed to any other natural person **Insured**; and
2. only facts pertaining to and knowledge possessed by any executive officer shall be imputed to the **Insured** entity;

J. **Insolvency**

based upon, directly or indirectly arising out of, or in any way involving the insolvency, receivership, conservatorship, liquidation, bankruptcy or inability to pay of a natural person, entity, benefit plan, insurance company, managed health care organization, reinsurer, risk retention group or captive (or any self insurance plan or trust by whatsoever name), or limited partnership in which the **Insured** has placed business or obtained insurance coverage, or placed or recommended placement of the funds of a **Client**;

K. **Employee Benefit Plans**

based upon, directly or indirectly arising out of, or in any way involving:

1. any actual or alleged pension, profit sharing, health and welfare or other employee benefit plan or trust sponsored by the **Insured** or any entity

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owned or controlled by the **Insured** or in which the **Insured** is a participant, trustee or named fiduciary, as defined under the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law; or

2. the actual or alleged design of any employee benefit plan;

L. **Sale or Servicing of Certain Products**

based upon, directly or indirectly arising out of, or in any way involving the actual or alleged sale, attempted sale or servicing of any

1. coverage, alleged coverage or plan placed with any form of Multiple Employer Welfare Arrangement as defined by the Employee Retirement Income Security Act of 1974, as amended, or any employee benefits plan involving self funding in whole or in part, by any employer, union, or employment related entity;
2. products or services not approved by a **Broker/Dealer**;
3. commodities, commodities futures contracts, or any type of option contract with the exception of covered call writing;
4. promissory notes;
5. ETS pay phone investments or other similar type investments;
6. viatical settlements, viatical insurance benefits, viatical investment pools or any security backed by viatical settlements;
7. “Stranger Originated Life Insurance (STOLI)" or "Speculator Initiated Life Insurance (SPINLIFE)."
8. Structured products, including but not limited to, structured settlements, structured notes, principal protected notes or reverse convertibles notes;
9. Life Settlements; Reverse mortgages or similar transactions in which the present value of a conditional contract is exchanged or sold;
10. issuer callable certificates of deposit and/or equipment sale-lease-buy-back transactions of any kind;
11. Leveraged Exchanged Traded Funds and Inverse Exchange Traded Funds; or
12. any life insurance policy in which the premium was paid for, in whole or in part, by or through any premium finance mechanism or any premium finance company.

M. **Discretionary Authority**

based upon, directly or indirectly arising out of, or in any way involving any actual or alleged activities in connection with the exercise of discretionary authority with regard to the management or disposition of assets (whether for individuals, groups, employee benefit plans, or other entities of whatever legal form or character); however, this exclusion shall not apply to the activities of the **Insured** when exercising discretionary authority as a **Registered Investment Advisor**;

N. **Nuclear/Pollution**

based upon, directly or indirectly arising out of, or in any way involving:

1. any nuclear reaction, radiation or contamination; or

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2. any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants**; any request, direction or order that any of the **Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person, or financial loss to the **Insureds**, their security holders, or their creditors resulting from any of the aforementioned matters;

O. **Anti-trust**

based upon, directly or indirectly arising out of, or in any way involving actual or alleged price fixing, price discrimination, predatory pricing, restraint of trade, antitrust, monopolization, unfair trade, or unfair anti-competitive conduct; however, the knowledge of any such act by any **Insured** individual shall not be imputed to any other **Insured** individual; and only such knowledge of an executive officer shall be imputed to an **Insured** entity;

P. **Confidential or non-public information**

based upon, directly or indirectly arising out of or in any way involving the actual or alleged use, misuse or disclosure of:

1. confidential information**,** including but not limited to such use for the purpose of replacement of coverage; or
2. non-public information in a manner prohibited by the laws of the United States, including, but not limited to, the Insider Trading and Securities Fraud Enforcement Act of 1988, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, any similar laws of any other jurisdiction, or any rules or regulations promulgated under any of the foregoing, all as amended;

Q. **Unlicensed entity**

based upon, directly or indirectly, arising out of or in any way involving the placement of a **Client's** coverage or funds directly or indirectly with any organization, entity or vehicle of any kind, nature or structure which is not licensed to do business in the state or jurisdiction with authority to regulate such business; however, this Exclusion shall not apply to any **Claim** arising from or contributed to by the placement of a **Client's** coverage or funds directly or indirectly with such organization, entity or vehicle which is an eligible surplus lines insurer in the state or jurisdiction with authority to regulate such business;

R. **Investment Banking Activities**

based upon, directly or indirectly arising out of, or in any way involving any actual or alleged underwriting, syndicating, or investment banking work, or associated counseling or investment activities, including but not limited to, any aspect of any actual, attempted or threatened mergers, acquisitions, divestitures, tender offers, proxy contests, leveraged buy-outs, going private transactions, reorganizations, capital restructuring, recapitalization, spin-offs, primary or secondary offerings of securities (regardless of whether the offering is a public offering or a **Private Placement**), other efforts to raise or furnish capital or financing for any enterprise

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or entity or any disclosure requirements in connection with any of the foregoing; provided, however, that this exclusion shall not apply to **Claims** arising from sales by an **Insured** of securities in connection with an offering thereof where such **Claims** relate solely to conduct by the **Insured** detrimentally relied upon by particular clients of the **Insured Broker/Dealer** and do not arise from facts or circumstances affecting the offering generally such as, but not limited to, actual or alleged misrepresentations or omissions in the formal written offering materials, including registration statements, offering memoranda and circulars;

S. **Securities below Minimum Capitalization Levels**

based upon, directly or indirectly arising out of, or in any way involving any security issued by an entity unable to meet the minimum capitalization and other standards for listing and maintenance on the NASDAQ SmallCap Market;

T**.** **Owned funds or investment products**

based upon, directly or indirectly arising out of, or in any way involving any proprietary fund or investment products in which an **Agent or General Agent** or **Registered Representative** has any ownership interest;

U. **Investment in Specified Securities or Funds**

based upon, directly or indirectly arising out of, or in any way involving the use of or investment in:

1. any security that is not registered with the Securities and Exchange Commission; however, this Exclusion shall not apply to securities which are both exempt from registration with the Securities and Exchange Commission and approved by a **Broker Dealer**; or
2. any hedge fund, whether it is registered or not with the Securities and Exchange Commission, unless specifically endorsed onto the Master Policy;

V. **Limited Partnerships, REITS**

based upon, directly or indirectly arising out of, or in any way involving the use of or investment in any Limited Partnership, Tennant in Common Investments (pursuant to Section 1031 of the Internal Revenue Code), Real Estate Investment Trusts (REIT's), issuer callable certificates of deposit, equipment sale-lease-buy-back transactions of any kind and/or any security that is not registered with the Securities and Exchange Commission; however, this exclusion shall not apply to the sale attempted sale or servicing of **Private Placements**, Limited Partnerships or REIT's (other than Tennant in Common Investments) which:

a. are not Oil & Gas Products;

b. are compliant with all applicable Blue Sky Laws that exist from time to time in the various states;

c. with respect to **Private Placements**, are sold only to **Accredited Investors**; and

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d. with respect to publicly registered Limited Partnerships and/or REIT's, are sold only to investors who meet the various state minimum suitability standards outlined in their respective Blue Sky Laws;

W. **Fiduciary Services**

based upon, directly or indirectly arising out of, or in any way involving investment advice provided by a Fiduciary Advisor if such investment advice is not provided pursuant to and in accordance with all of the requirements of the Pension Protection Act of 2006 as it may be amended;

X. **Wrongful Employment Practices**

based upon, directly or indirectly arising out of, or in any way involving employment practices including but not limited to discrimination or termination of employment; or

Y. **Class Action Claim**

that is a **Class Action Claim**.

XVII. TRADE EMBARGOES AND SANCTIONS

This Master Policy does not provide coverage for **Insureds**, transactions or that part of **Loss** that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

XVIII. HEADINGS AND NUMBER

The descriptions in the headings of this Master Policy are solely for convenience, and form no part of the terms and conditions of coverage. Defined terms in the singular also include the plural and defined terms in the plural also include the singular.

IN WITNESS WHEREOF, the Insurer has caused this Master Policy to be executed by its Chairman and Secretary, but this Master Policy shall not be binding upon us unless completed by the attachment of the Declarations.

Chairman Secretary

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MASTER POLICY
PROFESSIONAL LIABILITY AGGREGATE ENDORSEMENT

It is agreed that solely with respect to those **Insureds** who are not residents of or practice in New York State, the Policy is amended as follows:

1. Aggregate Limits

   Policy Year Aggregate Limit of Liability: $15,000,000

2. SECTION **III**. **DEFINITIONS** is amended to add a new definition as follows:

   Policy Year means the period of one year following the effective date of the **Policy Period** or any subsequent one-year anniversary thereof.

3. New paragraphs are added to SECTION **VI. LIMIT OF LIABILITY, RETENTION AND ALLOCATION** as follows:

   - Policy Aggregate:

     The amount set forth as the **Policy Year** Aggregate Limit of Liability in paragraph 1. of this Endorsement shall be the maximum Aggregate Limit of Liability of the Insurer for each **Policy Year**, regardless of the number of **Insureds**, **Claims** made, or persons or entities bringing such **Claims**. The **Policy Year** Aggregate Limit in effect at the time a **Certificate of Insurance** is issued shall be the applicable **Policy Year** Aggregate Limit for such **Certificate of Insurance** regardless of when such **Certificate of Insurance** expires.

   - Per **Claim** Aggregate:

     Each **Insured's** applicable Limit of Liability shall be the maximum Limit of Liability of the Insurer for such **Insured**, regardless of the number of **Insureds**, **Certificates of Insurance, Claims** made, or persons or entities bringing such **Claims**. The per **Claim** Aggregate Limit in effect at the time a **Certificate of Insurance** is issued shall be the applicable **Policy Year** Aggregate Limit for such **Certificate of Insurance** regardless of when such **Certificate of Insurance** expires. Further, where two or more **Insureds** are involved in a **Claim**, the maximum aggregate Limit of Liability of the Insurer for all such **Insureds** shall be the largest single Limit of Liability applicable to any one of such **Insureds**.

4. SECTION **XVI. EXCLUSIONS** is amended to delete exclusion Y. **Class Action Claim**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

SPECIMEN

Policy No:
Endorsement No:
Effective Date:

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QUALIFIED PARTICIPANTS OF THE E&O PROGRAM

In consideration of the premium charged, it is hereby understood and agreed that this Policy is issued to the **Policyholder** for the benefit of qualified participants of the National Ethics Association E&O Program who are considered **Insureds** under the Policy.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

SPECIMEN

Policy No:
Endorsement No:
Effective Date:

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NATIONAL ETHICS ASSOCIATION
INTERPRETATION ENDORSEMENT

In consideration of the premium charged for this Policy, it is understood and agreed that the Policy is amended to add the following new provision:

- **INTERPRETATION**

  Any rule of contract construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Policy. The language in this Policy shall be interpreted as to its fair meaning and not strictly for or against any party thereof.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

SPECIMEN

Policy No:
Endorsement No:
Effective Date:

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AMEND LIMITED PARTNERSHIPS, REITS EXCLUSION

In consideration of the premium paid, it is understood and agreed that Section **XVI. EXCLUSIONS**, Exclusion V. is deleted in its entirety and replaced as follows:

V. **Limited Partnerships, REITS**

based upon, directly or indirectly arising out of, or in any way involving the use of or investment in any Limited Partnership, Tennant in Common Investments (pursuant to Section 1031 of the Internal Revenue Code), Real Estate Investment Trusts (REIT's), issuer callable certificates of deposit, equipment sale-lease-buy-back transactions of any kind or any security that is not registered with the Securities and Exchange Commission;

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

SPECIMEN

Policy No:
Endorsement No:
Effective Date: September 10, 2012

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AMEND INSURING AGREEMENT

In consideration of the premium paid, it is understood and agreed that Section **I. INSURING AGREEMENT**, subparagraph 2. is deleted in its entirety and replaced as follows:

2. the **Claim** is first made against any **Insured** during the current **Certificate Period**, or any Extended Reporting Period, if applicable, and reported to the Insurer in accordance with Section VII, NOTICE; and

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

SPECIMEN

Policy No:
Endorsement No:
Effective Date: September 27, 2012

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AMEND NOTICE

In consideration of the premium paid, it is understood and agreed that Section **VII. NOTICE**, subparagraph A. is deleted in its entirety and replaced as follows:

A. If a **Claim** is made against any **Insured**, the **Insured** shall, as soon as practicable, notify the Insurer during the current **Certificate Period** and forward to the Insurer every demand, notice, summons, or other process received. The limits of insurance for the **Certificate Period** in effect on the date the **Claim** is reported to the Insurer shall apply.

In addition, in the event of cancellation or non-renewal of the **Certificate of Insurance**, the **Insured**, may report **Claims** made against the **Insured** during the **Certificate Period** or within 30 days immediately following the cancellation or non-renewal of such **Certificate of Insurance**.

In no event, however, shall the Insurer be responsible to pay any **Loss** in connection with any default judgment entered against an **Insured** prior to notice to the Insurer or as a result of untimely notice to the Insurer nor shall the Insurer be responsible to pay any **Loss** in connection with any **Claim** in which the Insurer's interests have been prejudiced because of the **Insured's** failure to supply timely notice to the Insurer.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

SPECIMEN

Policy No:
Endorsement No:
Effective Date: September 27, 2012

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AMEND PROFESSIONAL SERVICES TO INCLUDE SERVICES AS A NOTARY PUBLIC

In consideration of the premium charged, it is understood and agreed that Section **III. DEFINITIONS**, the definition of **Professional Services**, paragraph 7. is amended to include the following at the end:

- services as a Notary Public.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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Policy No:
Endorsement No:
Effective Date: October 4, 2012

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