

LABOR PROFESSIONAL LIABILITY INSURANCE POLICY

SOLIDARITY PROTECTION GROUP

a voluntary membership organization operating pursuant
to the Liability Risk Retention Act of 1986 and whose
principal office is: 4323 Warren Street, NW, Washington,
DC 20016-2437



ENCORE
FIDUCIARY[™]

Division of Specialty Program Group, LLC

NOTICE:

THIS IS A CLAIMS-MADE AND REPORTED POLICY THAT APPLIES ONLY TO THOSE **CLAIMS** FIRST MADE AGAINST THE **INSURED** DURING THE **POLICY PERIOD** THAT ARE REPORTED TO THE INSURER DURING THE **POLICY PERIOD**. **CLAIM EXPENSES** ARE INCLUDED IN THE LIMITS OF LIABILITY. THE LIMIT OF LIABILITY AVAILABLE TO PAY **LOSS** SHALL BE REDUCED OR TOTALLY EXHAUSTED BY PAYMENT OF **CLAIM EXPENSES**.

PLEASE READ YOUR POLICY CAREFULLY



Labor Professional Liability Insurance Policy Certificate

Policy Number:
Renewal of:

Issuing Carrier:

Hudson Insurance Company
(hereinafter the "Insurer")

ITEM 1. Insurance Representative:
Address:

ITEM 2. Union:
Address:

ITEM 3. Policy Period:
Effective Date: (12:01 a.m. local time)
Expiration Date: (12:01 a.m. local time)

ITEM 4. Pending or Prior Litigation
Date:

ITEM 5. Limits of Liability: \$ each **Claim**
\$ Aggregate

ITEM 6. Deductible Amount: \$ each **Claim**

ITEM 7. Premium:
Basic Premium:
Individual Labor Leader Premium:
Tax/Surcharge:
Total Premium:

ITEM 8. Endorsements: **Endorsement Schedule**

The following schedule lists all **Endorsements** which form a part of the policy. It is only for reference and provides no coverage. The actual **Endorsement** should be reviewed to determine its effect on coverage:

This **Policy Certificate**, together with the Policy Form ESU-31210001 (03/2012), the **Endorsements** indicated in ITEM 8 above, if any, and the completed and signed application(s) with any submitted attachments, complete the above-numbered policy.

Date: _____



Authorized Representative

SPECIMEN

In consideration of the payment of the premium and subject to the limits of liability and the **Policy Certificate**, conditions, limitations, provisions and other terms of this policy, the Insurer and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

The Insurer shall pay on behalf of the **Insured** all **Loss** for which the **Insured** becomes legally obligated to pay resulting from any **Claim** first made against the **Insured** during the **Policy Period**, the **Automatic Reporting Period**, or the **Extended Reporting Period** (whichever is applicable) which results from a **Wrongful Act, Wrongful Offense** or **Wrongful Employment Practice** and which is subsequently reported to Hudson within the earlier of: a) ninety (90) days or b) by the end of the **Policy Period**, the **Automatic Reporting Period** or the **Extended Reporting Period** (whichever is applicable).

II. ADDITIONAL EXTENSIONS

A. Estates and Legal Representatives

Coverage shall extend to **Claims** for the **Wrongful Acts, Wrongful Offenses** or **Wrongful Employment Practices** of **Insured Persons** made against the estates, heirs, legal representatives or assigns of **Insured Persons** who are deceased or against the legal representatives or assigns of **Insured Persons** who are incompetent, insolvent or bankrupt.

B. Spousal Liability

If a **Claim** against an **Insured Person** includes a **Claim** against the lawful uninsured **Spouse** of such **Insured Person** solely by reason of such **Spouse's** status as a **Spouse** or such **Spouse's** ownership interest in property which the claimant seeks as recovery for a **Wrongful Act, Wrongful Offense** or **Wrongful Employment Practice** of such **Insured Person**, all **Loss** which such **Spouse** becomes legally obligated to pay on account of such **Claim** shall be treated for purposes of this policy as **Loss** which such **Insured Person** becomes legally obligated to pay on account of a **Claim** made against such **Insured Person**. All limitations, conditions, provisions and other terms of coverage applicable to such **Insured Person's Loss** shall also be applicable to such spousal loss. However, coverage shall not apply to the extent any **Claim** alleges any act or omission by such **Insured Person's Spouse**.

C. Reimbursement of Witness Expenses

With respect to **Claims** covered under this policy, the Insurer shall pay an amount of \$300 to each **Insured Person** for each day or part of a day that any **Insured Person** attends as a witness any trial, deposition, or interrogation at which the Insurer has requested any **Insured Person's** attendance, or when the court requires such attendance. This payment shall only apply to appearances involving **Claims** against an **Insured** and is not subject to any deductible. The maximum amount payable for all such appearances made during the **Policy Period** shall not exceed \$7,500 as a total aggregate, regardless of how many appearances are actually made during the **Policy Period**, or how many different **Insured Persons** make appearances. Any and all such payments are included in the applicable Limit(s) of Liability as stated in ITEM 5 of the **Policy Certificate**.

III. DEFENSE AND SETTLEMENT

The **Insured**, and not the Insurer, shall have the duty to defend **Claims** against them. The Insurer will advance, excess of any applicable Deductible Amount, **Claims Expenses** for **Claims** to which this policy provides coverage, subject to the **Insured's** agreement to repay such **Claims Expenses** in the event and to the extent that there is no coverage for such **Claims** or **Claims Expenses** under this policy.

The **Insured** shall have the right to select counsel to defend any covered **Claim**, subject to the consent of the Insurer, which shall not be unreasonably withheld, and subject to the selected counsel's agreement to comply with the litigation guidelines set forth by the Insurer for the defense of covered **Claims**. The Insurer shall have the right and shall be given the opportunity, at any time, to effectively associate with the **Insured** in the investigation, defense and settlement of any **Claim** covered by this policy, by giving notice to the **Insured** of such election. The Insurer's obligation to pay any **Loss** shall cease upon exhaustion of the applicable Limit(s) of Liability as stated in ITEM 5 of the **Policy Certificate**.

The Insurer may, with the written consent of the **Insured**, make any settlement or compromise of a **Claim** we deem appropriate. Such consent shall not be unreasonably withheld. If the **Insured** withholds such consent to any settlement for any reason, our liability for all **Loss** with respect to that **Claim** shall not exceed the amount for which we could have settled such **Claim** plus **Claims Expenses** accrued as of the date the **Insured** refused to consent to settlement as recommended by the Insurer, subject to the applicable Limit(s) of Liability as stated in ITEM 5 of the **Policy Certificate**.

The **Insured** shall not settle any **Claim**, make any settlement offer, incur any **Claims Expenses** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Insurer's written consent, which shall not be unreasonably withheld. The Insurer shall not be liable for any settlement, **Claims Expenses**, assumed obligations or admissions to which it has not consented.

If both **Loss** covered by this policy and loss not covered by this policy are incurred, either because a **Claim** against an **Insured** includes both covered and uncovered matters or because a **Claim** is made against both an **Insured** and others, the **Insureds** and the Insurer shall allocate such amount between covered **Loss** and uncovered loss based upon the relative legal exposures of such parties to such matters.

IV. EXCLUSIONS

A. The Insurer shall not be liable for **Loss** on account of any **Claim** made against an **Insured**:

1. Based upon, arising from or in consequence of any fact, circumstance or situation which may reasonably be expected to result in a **Claim**, known by any **Insured** at any time prior to the Prior & Pending Litigation Date shown in ITEM 4 of the **Policy Certificate**;
2. Based upon, arising from or in consequence of any fact, circumstance or situation, or any demand, suit or other proceeding pending, or order, decree or judgment rendered against an **Insured**, if written notice of such has been given to any **Insured**, or a prior carrier, under any policy prior to the **Effective Date** of this policy;
3. Based upon, arising from or in consequence of any actual or alleged violations of any of the responsibilities, obligations or duties imposed by, including but not limited to, any costs or expenses incurred by any **Insured** in conjunction with any of the following:
 - a. The Employee Retirement Income Security Act of 1974;
 - b. The Occupational Safety and Health Act;
 - c. The Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. 1961 et seq.;
 - d. The Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988);

- e. any workers' compensation, employers liability, disability, insurance or medical benefits, severance or social security benefits or unemployment compensation law;

including any and all rules or regulations promulgated under any of the foregoing and any and all amendments thereto, or any similar or related provisions of any federal, state or local statutory law or common law; however, this exclusion shall not apply to any **Claim for Retaliation** brought by an **Employee** which results from the exercise of the **Employee's** rights under the above laws;

4. For any actual or alleged bodily injury, sickness, disease, mental anguish, emotional distress, or death of any person, or for damage to or destruction of any tangible property including loss of use thereof; however, this exclusion shall not apply with respect to any actual or alleged mental anguish or emotional distress in any **Claim for a Wrongful Employment Practice**;
5. Based upon, arising from or in consequence of any liability of others assumed by the **Insured** under any contract or agreement, either oral or written, except to the extent that the **Insured** would have been liable in the absence of the contract or agreement, or unless the liability arises out of the terms of a collective bargaining agreement entered into by the **Insured**;
6. Based upon, arising from or in consequence of any actual or alleged breach of contract or agreement, expressed or implied, written or oral; except to the extent that the **Insured** would have been liable in the absence of the contract or agreement, or unless the liability arises out of the terms of a collective bargaining agreement entered into by the **Insured**;
7. Which is brought by or on behalf of or in the name or right of:
 - a. any national or international labor organization which has chartered the **Union**, any subsidiary or any affiliate of the **Union**; or any local labor organization chartered by the **Union**;
 - b. any entity chartered by the same national or international labor organization;
 - c. any labor organization operating under the same collective bargaining agreement as the **Union**;
or
 - d. any **Insured** in any capacity; however, this exclusion shall not apply to any **Claim for a Wrongful Employment Practice**.
8. As a result of a written employment contract of any **Insured Person**;
9. As a result of any actual or alleged boycotts, picketing, group or mass picketing, violence at or away from a picket line, strikes, lockouts, demonstrations, sick-outs, slowdowns, refusals to cross picket lines, work stoppages or any similar activity or job action, brought by employers, other unions or injured third parties, except when brought by a bargaining unit member of the **Union** based upon a **Wrongful Act**;
10. Based upon, arising from or in consequence of any publication or utterance concerning any organization or business enterprise or its products or services made by or at the direction of any **Insured** with knowledge of the falsity thereof, or the printing of periodicals, advertising matter, or any or all jobs taken by any **Insured** to be printed for a third party when the periodical, advertising matter or other printing is not a regular part of the **Insured's** own activities;
11. Based upon, arising from or in consequence of any actual or alleged conduct for which any **Insured** has gained any personal profit, remuneration or advantage to which such **Insured** was not legally entitled, or for the return by the **Insured** of any remuneration paid to or received by such **Insured** if payment or receipt of such remuneration was in violation of law; provided, however, that this exclusion shall not apply to such **Claim** against the **Union**, or to the Insurer's obligation to pay, reimburse or advance **Claims Expenses** regarding such **Claim** against the **Union**, until a judgment or other final adjudication adverse to the **Union** shall establish such acts and/or violations;

12. Based upon, arising from or in consequence of any actual or alleged dishonest, fraudulent or criminal acts or any willful violation of any statute or regulation by the **Insured**, including but not limited to any actual or alleged theft, fraud, embezzlement, conversion of funds, extortion, making or taking any bribe, making or receiving any illegal monetary or non-monetary kickback, or applying or approving any illegal or improper loan; provided, however, that this exclusion shall not apply to: (a) a **Claim** for a **Wrongful Employment Practice**, or to the Insurer's obligation to pay, reimburse or advance **Claims Expenses** regarding such **Claim** for a **Wrongful Employment Practice**, until a judgment or other final adjudication adverse to the **Union** shall establish such acts and/or violations, or (b) a **Claim** against the **Union**, or to the Insurer's obligation to pay, reimburse or advance **Claims Expenses** regarding such **Claim** against the **Union**, until a judgment or other final adjudication adverse to the **Union** shall establish such acts and/or violations;
 13. Based upon, arising from or in consequence of any actual or alleged conflict of interest arising from:
 - a. the failure of any **Insured Person** to account properly and fully for any personal profit;
 - b. the direct or indirect ownership or control of assets or interests by any **Insured Person**; or
 - c. any dealings between any **Insured Person** and the **Union** as an adverse party or on behalf of an adverse party;
 14. Based upon, arising from or in consequence of the actual or alleged or threatened discharge, release, seepage, escape or disposal of any hazardous or toxic waste, **Environmental Agents**, emissions or substances, including but not limited to pollution or contamination of any kind, and including but not limited to any directions, requests or orders that an **Insured** report, test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any hazardous or toxic waste, emissions or substances, or any voluntary decision to do so;
 15. As a result of nuclear radiation in any form, no matter how emitted;
 16. Based upon, arising from or in consequence of allegations of price fixing, restraint of trade, monopolization, unfair trade practices, tortious interference or any actual or alleged violation of the Federal Trade Commission Act, the Sherman Anti-Trust Act, the Clayton Act, or any other federal statutory provision involving anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade activities, or any amendment to or any rule or regulation promulgated under or in connection with any such statute; or any such statute; or any similar provision of any federal, state, or local statutory law or common law;
 17. Which is brought, maintained or asserted in any capacity:
 - a. arising from or related to the merger and/or statutory combination of the **Insured** entity with another entity or business enterprise;
 - b. arising from or related to the separation and/or statutory division of the **Insured** entity either singly or in relation to another entity or business enterprise; or
 - c. against any **Insured** for any **Wrongful Act, Wrongful Offense** or **Wrongful Employment Practice** committed in whole or in part, related to or arising from the merger or division of the **Insured** entity either singly, or to or from any other entity, while they acted on behalf of the **Union**.
- B. The Insurer shall not be liable for that part of **Loss**, other than **Claim Expenses**:
1. Which constitutes punitive or exemplary damages, fines or penalties, or the multiple portion of any multiplied damage award;
 2. As a result of a **Claim**, or any portion thereof, seeking injunctive, equitable or non-monetary relief, or

3. Which constitutes costs or expenses incurred by an **Insured** to make premises accessible to persons with disabilities as required by the Americans with Disability Act of 1990, including any and all rules or regulations promulgated thereunder and any and all amendments thereto, or any similar or related provisions of any federal, state or local statutory law or common law.

V. SEVERABILITY OF EXCLUSIONS

With respect to the Exclusions in Section IV. of this policy, no act or omission of an **Insured Person** shall be imputed to any other **Insured Person** for the purpose of determining the applicability of any exclusion, and the coverage otherwise afforded under this policy shall continue to apply to all **Insured Persons** who did not commit, direct, approve, ratify or have knowledge of such act or omission.

VI. LIMITS OF LIABILITY

Regardless of the number of persons or entities bringing **Claims** and regardless of the number of persons or entities who are **Insureds**, the Insurer's liability under this policy and any written **Endorsements** hereto, except as expressly provided therein, is limited as follows:

A. Each Claim Limit of Liability

The Each Claim Limit of Liability stated in ITEM 5(a) of the **Policy Certificate** is the maximum the Insurer will pay as **Loss** for any one **Claim**. All **Claims** arising out of the same **Wrongful Act, Wrongful Offense** or **Wrongful Employment Practice** and all **Interrelated Wrongful Acts, Wrongful Offenses** or **Wrongful Employment Practices** of **Insureds** shall be deemed one **Claim**, and such **Claim** shall be deemed to have originated in the earliest **Policy Period** in which a **Claim** is first made or deemed to have been first made against any **Insured** alleging any such **Wrongful Act, Wrongful Offense** or **Wrongful Employment Practice, or Interrelated Wrongful Acts, Wrongful Offenses** or **Wrongful Employment Practices**.

B. Aggregate Limit of Liability

The Aggregate Limit of Liability stated in ITEM 5(b) of the **Policy Certificate** is the total sum the Insurer will pay as **Loss** for all **Claims** first made or deemed to have been made during a single **Policy Period**.

C. Deductible Amount

The Deductible Amount stated in ITEM 6 of the **Policy Certificate** shall be deducted from all amounts, including **Claims Expenses**, paid by the Insurer for each **Claim**, and the Insurer shall be liable only for sums in excess of such Deductible Amount. The Insurer may elect to pay all or part of the Deductible Amount to effect settlement of a **Claim** and, upon notice of the action taken by the Insurer, the **Insured** shall promptly reimburse such part of the Deductible Amount as has been paid by the Insurer. The Deductible Amount is not included within the Limits of Liability.

VII. CONDITIONS

A. **Insured's** Duties in the Event of a **Claim**, Reporting and Notice

1. The **Insureds** shall, as a condition precedent to the application of all insurance afforded by this policy, give the Insurer written notice of any **Claim** made against any of them within the earlier of (a) ninety (90) days, or (b) by the end of the **Policy Period, the Automatic Reporting Period, or the Extended Reporting Period** (whichever is applicable).
2. If during the **Policy Period** an **Insured** first becomes aware of any **Wrongful Act, Wrongful Offense** or **Wrongful Employment Practice** which may subsequently give rise to a **Claim** and gives

written notice thereof as set forth herein to the Insurer, then any **Claim** subsequently made against the **Insured** with regard to such **Wrongful Act, Wrongful Offense** or **Wrongful Employment Practice** shall be deemed to have been made during the **Policy Period** in which the **Wrongful Act, Wrongful Offense** or **Wrongful Employment Practice** was first reported to the Insurer.

3. As stated in paragraphs 1. and 2. above, required written notices shall contain particulars sufficient to identify the **Insured**, any claimant or potential claimant and full information with respect to the time, place and circumstances of the **Wrongful Act, Wrongful Offense** or **Wrongful Employment Practice** which led to the **Claim**, or which may subsequently give rise to a **Claim**, including the names and addresses of persons or entities which may have or which allege to have suffered injury or **Loss**, and of available witnesses.
4. The **Insured** shall, as a condition precedent to the application of all insurance afforded by this policy, give the Insurer such information and cooperation as it may reasonably request within sixty (60) days of any such request. Any failure to comply with such a request within the sixty (60) day period will suspend the payment of **Claims Expenses** by the Insurer's and any **Claims Expenses** incurred during the suspension period will not be covered. The **Insured** shall, upon request, assist in making settlements and in defense of **Claims** and in enforcing rights of contribution or indemnity against any person or entity which may be liable to the **Insured** because of an act or omission covered under this policy, shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **Insured** shall not prejudice the Insurer's position by knowingly taking any action that increases the Insurer's exposure for **Loss** or its potential or actual rights of recovery.
5. All notices to the Insurer of **Claims**, of circumstances that may give rise to **Claims**, or any other notice required under the policy must be given in writing to the attention of the Claims Department via mail, fax or email.

Mail notices to: Encore Fiduciary
100 East Street, Suite 204,
Vienna, VA 22180

Fax notices to: 571.730.4813

Email notices to: professionalclaims@encorefiduciary.com

B. Subrogation

In the event of any payment under this policy, the Insurer shall be subrogated to all of the **Insured's** rights of recovery against any person or organization to the extent of such payment 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 after an injury or **Loss** to prejudice such rights.

C. Authorization

By acceptance of this policy, the **Insurance Representative** agrees to act on behalf of all **Insureds** with respect to the giving and receiving of notice of cancellation or non-renewal, the payment of premiums and the receiving of any return premiums that may become due under this policy, the negotiation, agreement to and acceptance of **Endorsements**, and all **Insureds** agree that the **Insurance Representative** shall act on their behalf; provided, however, that nothing herein shall relieve the **Insureds**, and each of them, from giving any notice to the Insurer that is required under Section VII. Condition A. above.

D. Action Against the Insurer

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms and conditions of this policy and not, except with respect to the duty to pay, reimburse or advance **Claims Expenses**, until the amount of the **Insured's** obligation to pay shall have been finally determined whether by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant, and the Insurer. No person or organization shall have any right under this policy to join the Insurer as a party to any action against an **Insured** to determine the **Insured's** liability, nor shall the Insurer be impleaded by the **Insured** or the **Insured's** legal representatives.

E. Bankruptcy or Insolvency

Bankruptcy or insolvency of the **Insured** or the **Insured's** estate shall not relieve the Insurer of any of its obligations hereunder nor deprive us of our rights under this policy.

F. Representations and Severability

By acceptance of this policy the **Insured** agrees that the statements in the application (hereby made part of this policy) are its representations, that they shall be deemed material and that this policy is issued in reliance upon the truth of such representations, and that this policy embodies all agreements existing between the **Insured** and the Insurer, or any of its representatives, relating to this insurance.

Such written application for this policy shall be construed as a separate application for coverage by each **Insured**. With respect to the statements contained in such written application for coverage, no statement in the application or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person**, except for material facts or information known to the person or persons who signed the application, for the purpose of determining the availability of coverage hereunder. In the event that any statement in the application is untrue, this policy will be void with respect to any **Insured Person** who knew of such untruth or to whom such knowledge is imputed.

G. Assignment and Transfers

This policy shall be void if assigned or transferred without the Insurer's prior written consent by **Endorsement** to this policy.

H. Changes

Notice to or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not affect a waiver or a change of any part of this policy or stop us from asserting any right under the terms of this policy, nor may the terms of this policy be waived or changed, except by **Endorsement**.

I. Premium

All premiums for this policy shall be computed in accordance with the Insurer's rules, rates, premiums and minimum premiums applicable to the insurance afforded herein.

J. Cancellation

The **Insured** can cancel this policy at any time. The Insurer may only cancel this policy for non-payment of premium.

1. If the **Insured** cancels:

To cancel this policy, the **Insured** must surrender the policy to the Insurer or mail a written notice stating when thereafter it wishes the cancellation to take effect. If the **Insured** cancels prior to the **Expiration Date** of the current **Policy Period**, the **Insured** shall be refunded any unearned premium computed at the customary short rates for early cancellation.

2. If the Insurer cancels:

The Insurer will mail or deliver to the **Union**, at the address shown in ITEM 2 of the **Policy Certificate**, written notice of cancellation for non-payment of premium at least ten (10) days from the date of the written notice.

K. Non-Renewal

The **Insured** may non-renew this policy at the end of the **Policy Period**. The Insurer has the same right.

1. If the **Insured** non-renews:

If the **Insured** does not pay the renewal premium or sends a written notice stating the intent not to renew the policy for the next **Policy Period**, the **Insured** has non-renewed the policy.

2. If the Insurer non-renews:

If the Insurer non-renews the policy at the end of the **Policy Period**, a written notice will be mailed or delivered to the **Union** at the address shown in ITEM 2 of the **Policy Certificate** a minimum of sixty (60) days in advance of the **Expiration Date**.

L. Automatic Reporting Period

If this policy is non-renewed by either the **Insured** or the Insurer, or is canceled by the **Insured**, an **Automatic Reporting Period** will be afforded provided that all billed premiums have been paid. The **Automatic Reporting Period** provides coverage on account of any **Claim** first made against the **Insured** during the sixty (60) day period beginning with the non-renewal or cancellation of this policy, but only for **Wrongful Acts, Wrongful Offenses** or **Wrongful Employment Practices** occurring wholly prior to such non-renewal or cancellation date, and which are subsequently reported as soon as practicable but in no event after the end of the **Automatic Reporting Period**. Any **Claim** made during the **Automatic Reporting Period** shall be deemed to have been made during the immediately preceding **Policy Period**. Therefore, the **Automatic Reporting Period** shall not provide a new, additional or renewed Aggregate Limit of Liability.

The **Automatic Reporting Period** may not be canceled. The **Automatic Reporting Period**, however, shall not apply to any **Claim** if other insurance the **Insured** obtains covers the **Claim** or would cover the **Claim** if its limits of liability had not been exhausted.

M. Other Insurance

The coverage afforded by this policy shall be primary, and the Insurer's obligation under this policy shall not be limited by the existence of other insurance available to the **Insured** unless such other insurance is also considered primary or if such other insurance provides a duty to defend provision. In the event such other insurance is also considered primary, liability under the respective policies shall be apportioned as follows:

1. If all of the other insurance permits contribution by equal shares, then the Insurer's liability shall be equal to that of the other insurers, until such time that the limits of liability under each respective policy have been exhausted, or no **Loss** remains, whichever comes first; or
2. If any of the other insurance does not permit contribution by equal shares, then each insurer's liability shall be pro rata based upon each insurer's respective limit of liability divided by the total limits of insurance of all insurers.

If such other insurance provides a duty to defend provision, and the defense obligation is outside the limit of liability under that policy, then the Insurer's obligation for such covered **Claim** shall be excess.

N. Coverage Territory

The coverage afforded by this policy applies to **Wrongful Acts, Wrongful Offenses or Wrongful Employment Practices** committed anywhere in the world, provided the **Claim** is made and brought in the United State of America, including its territories or possessions.

O. Valuation and Currency

All premiums, limits, deductibles, **Loss** and other amounts under this policy are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or another element of **Loss** under this policy is stated in a currency other than United States of America dollars, payment under this policy shall be made in United States of America dollars at the rate of exchange published in the Wall Street Journal on the date the final judgment is reached, the amount of settlement is agreed upon or any element of **Loss** is due, respectively.

P. Changes in Exposure

If during the **Policy Period**:

1. a. The **Union** shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or organization or union or group of persons or organizations acting in concert; or
- b. A receiver, conservator, trustee in bankruptcy, liquidator, or rehabilitator, or any similar official is appointed for or with respect to the **Union**;

then coverage under this policy for **Insureds** who were **Insureds** prior to such merger, consolidation or assumption of responsibilities (as stated above in 1(a) and 1(b)) shall continue until cancellation or non-renewal of this policy but only with respect to **Claims** for **Wrongful Acts, Wrongful Offenses or Wrongful Employment Practices** which occurred prior to such merger, consolidation, or assumption of responsibilities. The **Insured** shall have the right to purchase an **Extended Reporting Period Endorsement** as described in Section VIII. **Extended Reporting Period** of this policy.

2. The **Union** acquires any other union or acquires substantially all of the assets of another union, or merges with another union such that the **Union** is the surviving entity, then coverage under this policy for such **Insureds** thereof who were **Insureds** prior to such acquisition or merger shall continue until cancellation or non-renewal of this policy. Nothing contained herein shall provide coverage for the acquired or merged union (and its directors, officers, trustees, board members, committee members, employees and any other person who acted on behalf of the acquired or merged union) for acts, errors or omissions committed prior to the acquisition or merger.

The **Insured** shall give written notice to the Insurer of such merger, consolidation or assumption of responsibilities, along with such information as we may require, within sixty (60) days or by the end of the **Policy Period**, whichever is earlier.

Q. Terms of Policy Conform to Statute

Terms of this policy which conflict with applicable statutes of the state where this policy is issued are hereby amended to conform to such statutes.

VIII. EXTENDED REPORTING PERIOD ENDORSEMENT

If this policy is non-renewed by either the **Insured** or the Insurer, or is canceled by the **Insured**, the **Insured** shall have the right to purchase an **Extended Reporting Period Endorsement** provided that the **Insured** is in compliance with all terms and conditions of the policy and all billed premiums have been paid. The **Extended Reporting Period Endorsement** provides coverage on account of any **Claim** first made against the **Insured** during the **Extended Reporting Period**, but only for **Wrongful Acts, Wrongful Offenses** or **Wrongful Employment Practices** occurring wholly prior to the non-renewal or cancellation date of this policy, and which are subsequently reported, during the **Extended Reporting Period**, within ninety (90) days or by the end of the **Extended Reporting Period** specified in the **Extended Reporting Period Endorsement**, whichever is earlier. Any **Claim** made during the **Extended Reporting Period** shall be deemed to have been made during the immediately preceding **Policy Period**. Therefore, the **Extended Reporting Period Endorsement** shall not provide a new, additional or renewed Aggregate Limit of Liability.

The right to purchase this optional **Endorsement** shall lapse unless the Insurer receives the following: (i) a written notice requesting an **Extended Reporting Period Endorsement** within sixty (60) days following the non-renewal or cancellation date of this policy, and (ii) the payment of the additional premium for such coverage by the due date specified on the premium invoice. The term of the **Extended Reporting Period** is twelve (12) months, starting upon the expiration of the **Automatic Reporting Period**. The Insurer reserves the right to approve a request for an **Extended Reporting Period** of up to thirty-six (36) months.

The additional premium for the **Extended Reporting Period Endorsement** will be seventy five percent (75%) of the expiring premium. **Extended Reporting Periods** of longer periods are available upon underwriting review and approval. Upon payment of such additional premium, which shall be deemed fully earned and non-refundable, the **Extended Reporting Period Endorsement** will be issued. The **Extended Reporting Period Endorsement** is not cancelable.

The insurance provided during the **Extended Reporting Period** is excess over any other valid and collectible insurance that begins or continues in effect after the **Extended Reporting Period** becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

IX. DEFINITIONS

The following terms in bold-face type, when used in this policy, shall have the meanings set forth below:

A. **Automatic Reporting Period** means a sixty (60) day period beginning with the non-renewal or cancellation date of this policy.

B. **Claim** means:

1. A written demand for monetary damages or injunctive or other equitable relief;
2. A civil proceeding commenced by the service of a complaint or similar pleading; or
3. A formal administrative or regulatory investigation or proceeding commenced by the filing of a notice of charges, formal investigative order or similar document with the Equal Employment Opportunity Commission (EEOC), National Labor Relations Board (NLRB) or similar organization depending on local, state or federal jurisdiction,

against an **Insured** for a **Wrongful Act, Wrongful Offense** or **Wrongful Employment Practice**, including any appeal therefrom.

C. **Claim Expenses** means that part of **Loss** consisting of reasonable and necessary fees and expenses incurred by the Insurer or by the **Insured** with the prior written consent of the Insurer, which shall not be unreasonably withheld, and resulting solely from the investigation, defense, and appeal of a **Claim**, including the premium for appeal bonds regarding such **Claim**; but **Claims Expenses** shall not include salaries, wages, benefits or overhead of, or paid to, any **Insured**, except for payment which the Insurer may be liable for under Section II.C Reimbursement of Witness Expenses.

- D. **Effective Date** means the day this coverage begins at 12:01 a.m. local time in this **Policy Period**. This date is shown in ITEM 3 of the **Policy Certificate**.
- E. **Employee** means any past, present or future person regularly working in the service of the **Union** at the direction of **Union** management and who receives from the **Union** hourly or salary wages and benefits in compensation for work performed, including a part-time, seasonal or temporary person. **Employee** does not mean a director or officer of the **Union** whether appointed or elected, independent contractor, consultant, lobbyist, third party administrator, or any person appointed by the International Union or any other similar entity, serving as trustee, deputy supervisor, or any other similar capacity and operating under the provisions of the Union Constitution or Bylaws.
- F. **Endorsement** means a document signed by an authorized representative of the Insurer that modifies the coverage provisions set forth in the policy. If the terms of any **Endorsement** are inconsistent with the terms of this policy, the terms of the **Endorsement** supersede the policy.
- G. **Environmental Agents** means any:
1. Bacteria;
 2. Mildew, mold, or other fungi;
 3. Other micro-organisms;
 4. Mycotoxins, spores, or other by-products of 1, 2, or 3 above;
 5. Viruses or other pathogens (whether or not a micro-organism); or
 6. Colony or group of any of the foregoing.
- H. **Expiration Date** means the day this coverage ends at 12:01 a.m. local time in this **Policy Period**, or the date of cancellation, if earlier. This date is shown in ITEM 3 of the **Policy Certificate**.
- I. **Extended Reporting Period** means the period of time indicated in the **Extended Reporting Period Endorsement**. All dates are 12:01 a.m. local time.
- J. **Extended Reporting Period Endorsement** means an **Endorsement** which provides coverage on account of any **Claim** first made against the **Insured** after the end of the **Automatic Reporting Period**, but only for **Wrongful Acts, Wrongful Offenses** or **Wrongful Employment Practices** occurring wholly prior to the non-renewal or cancellation date of this policy, and which are subsequently reported within ninety (90) days or by the end of the **Extended Reporting Period** shown on this **Endorsement**, whichever is earlier.
- K. **Insurance Representative** means the person or organization authorized to represent the **Insured** and designated in ITEM 1 of the **Policy Certificate**.
- L. **Insured**, either in the singular or plural, means the **Union** and all **Insured Persons**, collectively or individually, and any other natural person or organization designated as an additional **Insured** by **Endorsement** to this policy.
- M. **Insured Person** means any natural person serving as a past, present or future director, trustee, officer, **Employee**, board member, committee member, shop steward, business agent or volunteer of the **Union**, whether or not salaried, while acting in his or her capacity as such.
- N. **Interrelated Wrongful Acts, Wrongful Offenses or Wrongful Employment Practices** means all **Wrongful Acts, Wrongful Offenses** or **Wrongful Employment Practices** which are based upon, directly or indirectly arising or resulting from, related to or are in consequence of, the same or a series of continuous or related facts, circumstances, situations, transactions or events.

O. **Loss** means money, including, but not limited to, damages, judgments, settlements, costs, pre- and post-judgment interest, which any **Insured** shall become legally obligated to pay as a result of a **Claim**. **Loss** also means **Claim Expenses** incurred in the investigation, defense, settlement and appeal of a **Claim**. **Loss** does not include matters uninsurable under the law pursuant to which this policy is construed.

P. **Member Benefits** means:

1. The fair representation of all **Union** members, including the processing of any **Union** member's grievance;
2. Fair access to **Union** membership, including the fair processing and collection of membership dues; or
3. The right to participate in **Union** elections; Without regard to gender, race, sexual orientation or sexual preference, ethnicity, disability or religious affiliation.

Member Benefits do not include:

1. Matters uninsurable under the law and pursuant to which this policy is construed; or
2. Any **Claim** made against the **Insured** or **Insured Person** seeking **Member Benefits** which is based upon, arises from, or in consequence of any actual or alleged violation of any of the responsibilities, obligations, or duties imposed by, including but not limited to any costs of expenses incurred under:
 - a. The Employee Retirement Income Security Act of 1974;
 - b. The Occupational Safety and Health Act; or
 - c. The Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. 1961.

Q. **Personal Injury** means injury arising out of one or more of the following offenses:

1. False arrest, wrongful detention or imprisonment, or malicious prosecution;
2. Libel, slander, or defamation of character;
3. Wrongful entry or eviction, or other invasion of privacy;
4. Infringement of copyright or trademark or unauthorized use of title; or
5. Plagiarism or misappropriation of ideas.

R. **Policy Certificate** means the document that validates the coverage available under this policy. The **Policy Certificate** shows the **Union**, the Policy Number, the **Policy Period**, the Limits of Liability purchased, the Deductible Amount, the Premium and the **Insurance Representative**. This policy is not in effect unless a **Policy Certificate** signed by an Authorized Representative of the Insurer has been issued.

S. **Policy Period** means the period of time between the **Effective Date** and **Expiration Date** shown in ITEM 3 of the **Policy Certificate**. If the policy is canceled prior to the **Expiration Date**, the **Policy Period** is the period of time between the **Effective Date** and the cancellation date of this policy.

T. **Pollutants** means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a state, county, municipality, or locality counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapors, soot, fumes, acids, alkalis, chemicals or waste. Waste includes materials to be recycled, reconditioned or reclaimed. **Pollutants** shall also mean any other air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products and any noise.

U. **Retaliation** means a **Wrongful Employment Practice** of an **Insured** relating to or alleged to be in response to any of the following activities:

1. The disclosure or threat of disclosure by an **Employee** of the **Union** to a superior or to any governmental agency of any act by an **Insured** which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder;
 2. The actual or attempted exercise by an **Employee** of the **Union** of any right that such **Employee** has under law, including rights under worker's compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to **Employee** rights;
 3. The filing of any **Claim** under the Federal False Claims Act or any other federal, state, local or foreign "whistle blower" law; or
 4. Strikes by **Employees** of the **Union**.
- V. **Spouse** means the partner of an **Insured Person** whether by marriage, civil union, common law, or as a domestic partnership.
- W. **Union** means the duly constituted, chartered and recognized entity shown in ITEM 2 of the **Policy Certificate**. **Union** does not include any authorized, chartered or otherwise affiliated unions, which are affiliated with the entity shown in ITEM 2 of the **Policy Certificate**, nor does **Union** include any organizations or bodies which are subsidiary to the entity named in ITEM 2 of the **Policy Declaration**.
- X. **Wrongful Act** means any error or omission or breach of duty committed or alleged to have been committed by the **Union** or any **Insured Person** in the discharge of his or her duties solely in his or her capacity as an **Insured Person** for the **Union**. **Wrongful Act** includes, but is not limited to:
1. The fair representation of all **Union** members;
 2. Any **Union** election;
 3. The denial of **Union** membership to anyone;
 4. The recruitment of new **Union** members;
 5. The disciplining or expulsion of any **Union** members;
 6. The processing of any **Union** member's grievance;
 7. The financial management of the **Union**; or
 8. Discrimination and denial of fair access to **Member Benefits**.
- Y. **Wrongful Employment Practice** means any:
1. Wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of any implied contract;
 2. Harassment (including sexual harassment whether "quid pro quo", hostile work environment or otherwise);
 3. Discrimination, (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);
 4. **Retaliation** (including lockouts);
 5. Employment-related misrepresentation(s) to an **Employee** or applicant for employment with the **Union**;
 6. Employment-related libel, slander, humiliation, defamation or invasion of privacy;
 7. Wrongful failure to employ or promote;
 8. Wrongful deprivation of career opportunity, wrongful demotion or negligent **Employee** evaluation, including the giving of negative or defamatory statement in connection with an **Employee** reference;
 9. Wrongful discipline; or
 10. Failure to provide or enforce adequate or consistent policies and procedure relating to any **Wrongful Employment Practice**.

Violation of any individual's civil rights relating to any of the above, committed or alleged to have been committed by the **Union** or any **Insured Person** in the discharge of his or her duties solely in his or her capacity as an **Insured Person**, but only if the **Wrongful Employment Practice** relates to an **Employee**, or applicant for employment with the **Union**, whether direct, indirect, intentional or unintentional.

- Z. **Wrongful Offense** means any **Personal Injury** committed or alleged to have been committed by the **Union** or any **Insured Person** in the discharge of his or her duties solely in his or her capacity as an **Insured Person**.

IN WITNESS WHEREOF, Hudson Insurance Company has caused this policy to be signed by its President and Corporate Secretary at 100 William Street, New York, NY 10038 but this policy will not be effective unless the Insurer shall have issued a **Policy Certificate** as part of this policy.



President



Secretary

SPECIMEN

**Policyholder Disclosure
Notice of Terrorism Insurance Coverage**

Coverage for acts of terrorism is included in this policy. You (the Insured) are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2007, the definition of terrorism has changed. As defined in Section 102(1) of the Act: the term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$0.00 and does not include any charges for the portion of losses covered by the United States Government under the Act.

Nothing contained herein shall vary, alter or extend the terms, conditions and limitations of the policy except as stated above.

HUDSON INSURANCE COMPANY



Authorized Representative

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

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

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

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

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.