

Glossary of Insurance Terms

General definitions in accordance with most Lawyers Professional Liability Policies

Application

The application and all prior applications submitted to the **Company**, any and all materials and information submitted to the **Company** in connection with such applications, and all material that is created by the **Insured** and submitted to the **Company** in connection with this Policy, all of which are deemed to be on file with the **Company**.

Claim

1. A demand received by an **Insured** for money or services, or the service of a suit or the initiation of an arbitration proceeding against the **Insured** that seeks **Damages** arising out of a **Wrongful Act**.
2. Any **Wrongful Act** of which an **Insured** is aware and which the **Insured** knows, or ought reasonably to have known, might give rise to a demand for money or services, or the service of suit or arbitration proceeding against an **Insured**.

Claim Expenses

All reasonable legal fees, costs and expenses incurred by the **Company** or at **Our** direction in the investigation, adjustment, defense or appeal of any **Claim** to which this Policy applies, provided:

1. **Claim Expenses** include:
 - a. premiums on appeal bonds required in any suit defended by the **Company** and premiums on bonds to release attachments in any suit for an amount not in excess of the remaining Limit of Liability. The **Company** shall not be obligated to apply for or to furnish any such bonds.
 - b. reasonable and necessary fees and expenses charged by any Lawyer selected by the **Insured** as independent counsel, if a conflict of interest exists and applicable law permits the **Insured** to select such independent counsel and requires **Us** to pay for such independent counsel. The **Company** will not pay independent counsel's fees that exceed the hourly rates we pay to panel defense counsel to defend cases venued in the same geographic area.
2. **Claim Expenses** do not include:

- a. the cost of investigation and adjustment of a **Claim** by the **Company's** salaried employees; and,
- b. the **Insured's** salary or other compensation for the **Insured's** services provided, or cooperation or assistance in the investigation or defense of a **Claim**.

Company, Our, Us and We

Your Insurance Carrier.

Damages

All sums which an **Insured** is legally obligated to pay for any **Claim** to which this Policy applies, including judgments, settlements, final arbitration awards, and any taxes, fines or penalties incurred by a third party.

The **Insured** agrees with the **Company** that **Damages** do not include:

1. punitive or exemplary damages or any amounts which are a multiple of compensatory damages, including but not limited to awards of double or treble damages or damages deemed uninsurable by law;
2. any civil or criminal fines, penalties or sanctions whether pursuant to statute or imposed by law;
3. legal fees, costs, or expenses paid or incurred by the claimant, or retained or possessed by the **Insured**, whether claimed by way of restitution of specific funds, forfeiture, financial loss or otherwise, and injuries which are, in whole or part, a consequence of those fees;
4. legal fees, costs, or expenses paid or incurred by the **Insured** whether claimed by way of restitution of specific funds, financial loss or otherwise;
5. any amount awarded in any **Disciplinary Proceeding**; or
6. the return or reduction of legal fees, costs, expenses or other consideration charged by an **Insured**, or the cost of correcting, re-performing or completing **Professional Services**.

Deductible

The amount set forth in the Declarations and is the amount the **Insured** must pay for **Damages** and/or **Claim Expenses**.

Disciplinary Proceeding

A proceeding brought against an **Insured** by a regulatory or disciplinary agency or official to investigate charges alleging professional misconduct in the performance of **Professional Services**.

Employed Lawyer

Any attorney at law admitted to the bar, or otherwise licensed to practice law, in any of the United States of America or its territories, Canada, or any other foreign jurisdiction, but solely while an **Employee** of a **Firm**.

Employee

Any person who is a part-time, full-time, seasonal, or temporary employee of the **Firm**.

Fiduciary

An **Insured's** capacity as an administrator, conservator, executor, guardian, committee of an incompetent, trustee, receiver, escrow agent, or any similar capacity but only in the course of rendering or failing to render Legal Services for others.

Firm

The entity engaged in the practice of law under the name stated in the Declarations and its **Predecessor Firms**, if any, listed in the Declarations.

First Policy Inception Date

The inception date of the first lawyers' professional liability policy issued by the Insurer

Extended Reporting Period

The period of time after the end of the **Policy Period** during which **Claims** involving **Wrongful Acts** committed prior to the end of the **Policy Period** may be reported, in accordance with all other Policy provisions.

Loss

Damages and Defense Costs

Insured

Each of the following is an **Insured** under this Policy to the extent described below:

1. Either:
 - a. the person designated as the **Named Insured** in the Declarations but only with respect to the conduct of a law practice of which the person is a solo practitioner; or
 - b. the partnership, professional corporation, professional association, limited liability partnership or limited liability corporation designated as the **Named Insured** in the Declarations.
2. Any:
 - a. Lawyer of the **Named Insured** who is named in the Application as an Owner, Officer, Shareholder, Partner, Associate or **Employed Lawyer**;
 - b. Lawyer, limited liability corporation, limited liability partnership, partnership, professional association or professional corporation retained under formal contract with the **Named Insured** acting as "Of Counsel" or Independent Contractor to the **Named Insured** who is named in the Application;
 - c. limited liability corporation, limited liability partnership, partnership, professional association or professional corporation retained under formal contract with the **Named Insured** who is named in the Application or disclosed to the **Company**;
 - d. Lawyer retained by the **Named Insured** under formal contract to work on a per diem basis for more than 60 days during the **Policy Period** who is named in the Application; but solely for **Professional Services** performed on behalf of the **Named Insured**.
3. Any Lawyer, limited liability corporation, limited liability partnership, partnership, professional association or professional corporation who during the **Policy Period** becomes qualified as an **Insured** under Paragraph 2 above and is reported to the **Company**.
4. Any Lawyer, limited liability corporation, limited liability partnership, partnership, professional association or professional corporation who previously qualified as an **Insured** under Paragraph 2 above but solely for **Professional Services** performed on behalf of the **Named Insured** or **Predecessor Firm**.
5. Any former, current or future non-Lawyer employee, but only for work done within the scope of employment for the **Named Insured** or **Predecessor Firm**.

6. The administrator, assignee, estate, executor, or legal representative of an **Insured** in the event of his, her or its bankruptcy or insolvency, or the **Insured's** death or incapacity, but only to the extent that they would otherwise be provided coverage under this Policy.

Named Insured

The person or Law **Firm** identified in the Declarations.

Personal Injury

1. False arrest, detention or imprisonment;
2. Malicious prosecution or abuse of process;
3. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
4. Wrongful entry or eviction or other invasion of the right of private occupancy.

Policy Period

The period from the effective date of this Policy to the expiration date or, if earlier, the date upon which the cancellation of this Policy takes effect, but does not include any **Extended Reporting Period**.

Predecessor Firm

Any Law **Firm** which, prior to the effective date of this Policy:

1. is dissolved and from which the **Named Insured** has retained at least 50% of the Lawyers who were owners, officers, partners, associates, employees or shareholders; or
2. any firm which qualified as a **Predecessor Firm** under a policy previously issued by the **Company** immediately preceding this Policy.

Prior Acts Date or Retroactive Date

The first date on or after which a **Wrongful Act** giving rise to a **Claim** may be covered during this **Policy Period**. The Retroactive or prior Acts Date as stated on the Declarations Page, or any endorsement attached hereto, on or after which any act, error, omission or **Personal Injury** must have happened in order for any **Claim** arising therefrom to be covered under this policy. Any **Claim** arising from any act, error, omission or **Personal Injury** happening prior to the Retroactive Date or Prior Acts Date is not covered by this policy.

Private Practice of Law

Professional Services rendered by an **Insured** as a solo practitioner or as Lawyer of the **Named Insured**.

Professional Services

Services rendered by the **Insured** as a Lawyer with a license in good standing, including services, whether or not for a fee, as an administrator, arbitrator, conservator, executor, guardian, mediator, notary public, personal representative, real estate title insurance agent, receiver, trustee or in any other similar fiduciary activity.

Related Claim

All **Claims** arising out of a **Wrongful Act** or a series of related **Wrongful Acts** which are temporally, logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision regardless of the number of **Insureds**, **Claims** made or persons or entities making **Claims**.

Totally and Permanently Disabled

An **Insured** who is:

1. wholly prevented from working as a Lawyer and rendering **Professional Services**;
2. a physician has concluded that the disability is expected to be continuous and permanent; and
3. such **Insured**'s status with the Attorney Registration & Disciplinary Commission and all Lawyer licensing bodies is "inactive".

Successor in Business

Any firm in which, after dissolution of the **Named Insured**,

1. Some or all of the principals, owners, officers or partners of the **Named Insured** have joined an existing, or formed a new firm, provided such persons were responsible for producing more than 50% of the **Named Insured**'s annual gross revenues at the time of dissolution and such revenues have been assigned or transferred to the successor firm; or
2. At least 50% of the principals, owners, partners or officers of the **Named Insured** have joined an existing, or formed a new firm; or

3. At least 50% of the assets and liabilities of the **Named Insured** have been assumed.

Suit

A civil adjudicatory proceeding in a court.

Vicarious Liability

Liability on the part of an **Insured** as a result of **Professional Services** rendered by a person or entity for whose conduct such **Insured** is legally responsible.

Wrongful Act

1. Any actual or alleged negligent act, error, or omission in the rendering of or failure to render **Professional Services**, including **Personal Injury**, committed by an **Insured** in the course of rendering **Professional Services**; or
2. any actual or alleged negligent act, error or omission in an **Insured's** capacity as a director or officer of any bar related professional legal association or the governing board thereof.