REAL ESTATE LICENSEES ERRORS AND OMISSIONS DECLARATIONS

THIS IS A CLAIMS-MADE POLICY. PLEASE READ THIS POLICY CAREFULLY.

NOTICE: THIS IS A CLAIMS-MADE POLICY. EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN THIS COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS WHICH ARE FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY WHILE THE POLICY IS IN FORCE.

Policy Number: 05 EO 0005 TN

ITEM 1. POLICYHOLDER: The Tennessee Real Estate Commission on behalf of its Licensees who hold an active real estate license issued by the Tennessee Real Estate Commission under the Tennessee Real Estate Broker License Act, T.C.A. §62-13-101, et. seq. and who have paid the required premium.

ITEM 2. GROUP POLICY PERIOD: From January 1, 2005 To January 1, 2007 (12:01 A.M. Standard Time at the Address stated in Item 1)

ITEM 3. LIMITS OF LIABILITY (a) $100,000 per Licensee per Claim
(b) $300,000 Aggregate per Licensee

ITEM 4. DEDUCTIBLE $1,000 each Claim (Damages only)

ITEM 5. PREMIUM $260 per Licensee

ITEM 6. RETROACTIVE DATE As determined for each Insured according to the policy

This insurance does not apply to any Claim or Claims made against the Insured based upon, arising out of, or attributable to any negligent act, error, or omission committed or alleged to have been committed prior to the Retroactive Date listed above.

ITEM 7. OPTIONAL EXTENDED REPORTING ADDITIONAL PREMIUM: One year is 100% expiring annual premium ($130); Two Years is 150% expiring annual premium ($195); Three Years is 200% expiring annual premium ($260).

The Declarations and the forms listed and attached hereto, together with the completed and signed application shall constitute the contract between the Insured and the Company.

_________________________________________        ____________
Authorized Representative                          Date
REAL ESTATE LICENSEES ERRORS AND OMISSIONS POLICY

NOTICE

THIS INSURANCE IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS. EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, COVERAGE UNDER THIS MASTER POLICY IS LIMITED TO LIABILITY ONLY FOR THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE INDIVIDUAL POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AGAINST THE INSURED BEFORE THE BEGINNING OR AFTER THE END OF THE INDIVIDUAL POLICY PERIOD, PLEASE REVIEW THIS MASTER POLICY CAREFULLY AND DISCUSS THIS COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

INSURING AGREEMENT

I. COVERAGE

The Company will pay on behalf of the Insured Damages for those sums in excess of the Deductible which the Insured shall become legally obligated to pay by reason of any negligent act, error or omission arising out of Professional Services, so long as the Claim is first made against the Insured during the Individual Policy Period and reported to the Company in writing during the Individual Policy Period, unless an Extended Reporting Period applies provided that:

A. such negligent act, error or omission was committed or alleged to have been committed, in whole or in part, subsequent to the Retroactive Date; and
B. prior to the inception date of the Individual Policy Period no Insured had a basis to believe that any such negligent act, error or omission, or Related Negligent Act, Error or Omission might reasonably be expected to be the basis of a Claim against the Insured.

The Company has the right and duty to defend the Insured against any Claim seeking Damages covered by this policy. The Company has the right to select counsel, to make investigation of the circumstances of the Claim and to make payments of judgments or settlements and Claim Expenses as the Company deems necessary. In the event a Claim is subject to arbitration or mediation, the Company is entitled to exercise all of the rights of the Insured in the choice of arbitrators or mediators and in the conduct of any arbitration or mediation proceeding. The Company has no duty to defend any Claim not covered by this policy.

The Company will not settle any Claim without the consent of the Insured, which consent shall not be unreasonably withheld. If the Company recommends a settlement to the Insured which is agreeable to the claimant and the Insured does not agree to settle, the Company’s Limits of Liability are reduced to the total amount for which the Claim could have been settled. The maximum amount the Company will pay in the event of any later settlement or judgment is the amount for which the Claim could have been settled plus the amount of Claim Expenses incurred up to the time the Company made the recommendation.

II. LIMITS OF LIABILITY

The Declarations sets forth the Company’s Limits of Liability for the Licensee. The Limits of Liability are excess of the Deductible. All other persons or organizations included under the definition of Insured share such Limits of Liability with the Licensee. The Limits of Liability apply regardless of the number of Claims made or the number of persons or organizations making Claims against the Insured. If Related Claims are subsequently made against the Insured and reported to the Company during this Group Policy or any renewal of this Group Policy, all such Related Claims, whenever made, shall be considered a single Claim first made and reported to the Company within the Annual Policy Term in which the earliest of the Related Claims was first made and reported to the Company.

A. Subject to paragraph B below, the Company’s Limits of Liability for Damages for each Claim shall not exceed the amount stated in Item 3 (a) of the Declarations.

B. If a Claim involves coverage issued to two or more Licensees, the amount paid by the Company on behalf of all Insureds under each Licensees’ coverage, shall be prorated in relationship to the amount awarded against each such Insured, but in no event shall that amount paid by the Company for all Insureds under each Licensees’ coverage exceed the per Licensee Limits of Liability shown on the Declarations.

C. The Aggregate Limit under Item 3 (b) of the Declarations applies separately to each consecutive Annual Policy Term. Any Extended Reporting Period will be deemed part of the last preceding Annual Policy Term for purposes of determining the Limits of Liability.

D. Limits of Liability are not renewed or increased by virtue of the operation of the Automatic or Optional Extended Reporting Periods.

E. In addition to the Limits of Liability, the Company will pay Claim Expenses in connection with covered Claims. Claim Expenses are in addition to the Limits of Liability. The Company’s payment of the Limits of Liability ends the Company’s duties to defend, pay Damages and pay Claim Expenses.

III. DEDUCTIBLE

The Insured shall pay the Deductible, as stated in Item 4 of the Declarations for each Claim. The Company’s obligation to pay Damages begins only after the Insured has paid the Deductible. The Deductible applies to the payment of Damages only. The Company is obligated for amounts payable in excess of the Deductible. The Company may pay any part or all of the Deductible to settle, defend or investigate a
VI. EXCLUSIONS

Claim. The Insured must promptly reimburse the Company any amount of the Deductible paid by the Company. In the event the Insured does not reimburse the Company within 60 (sixty) days, the Company will be entitled to recover reasonable costs and attorney fees incurred in collecting such reimbursement.

If a Claim involves two or more Licensees who are affiliated with the same Real Estate Firm, only one Deductible applies. However, the Deductible amount will be shared equally by all Licensees involved in the Claim. Payment of the Deductible is the joint and several liability of all Insureds but collection of the Deductible will be the responsibility of the Real Estate Firm.

IV. SUPPLEMENTARY PAYMENTS

In addition to the Limits of Liability, the Company will pay the following:

A. Premiums on appeal bonds and bonds to release attachments. Premiums are limited to bonds no larger than the Company's remaining Limits of Liability. Obtaining the bond is not the Company's obligation.

B. $250 for each day the Insured attends a trial or hearing in a civil lawsuit covered under this policy; however, attendance must be at the Company's request. In no event shall the amount payable under this provision exceed $5,000 Aggregate Limit per Annual Policy Term.

C. Postjudgment interest on that portion of any judgment to which this insurance applies and which accrues after entry of the judgment and before the Company has paid, offered to pay or deposited, whether in court or otherwise, that part of the judgment for which the Company is responsible.

D. Notwithstanding the provisions of Exclusion F, the Company will pay up to $5,000 for property damage, or loss of use of property resulting from property damage, arising out of the Professional Services of the Insured in the distribution, operation or use of a lock box on property not owned, occupied by or leased to the Insured. The Company has no duty to defend the Insured for Lock Box Liability. Lock Box Claims are subject to a separate reduced Deductible of $250. The amount payable under this provision shall be subject to a $10,000 Aggregate Limit per Annual Policy Term.

V. TERRITORY

A. Coverage applies to a Licensee domiciled in Tennessee, performing Professional Services in Tennessee.

B. If the Licensee is domiciled in the State of Tennessee, then this policy applies to Professional Services performed anywhere in the world, provided that:
   1. the Licensee will be covered for Professional Services performed outside the state of Tennessee only if the Licensee is duly licensed in such state and the services performed would require a license pursuant to the laws of Tennessee had the acts been performed in Tennessee;
   2. the Claim arising out of the rendering of such Professional Services is brought within the United States of America, its territories or possessions.

C. If the Licensee is not domiciled in the State of Tennessee, then this policy applies only to Professional Services performed in Tennessee. The Claim arising out of the rendering of such Professional Services must be brought within the United States of America, its territories or possessions.

D. For purposes of this section, a Licensee who is not domiciled in the State of Tennessee shall be treated as domiciled in the State of Tennessee if the Licensee's Principal Real Estate License is affiliated with a real estate office located in the State of Tennessee and the Licensee resides within fifty (50) miles of the Tennessee State line.

VI. EXCLUSIONS

This insurance does not apply to any Claim alleging, arising from or related to:

A. fraudulent, dishonest, criminal or malicious acts committed by the Insured, at the Insured's direction or with the Insured's knowledge, or by anyone for whose acts the Insured is legally responsible;

B. the insolvency of the Insured;

C. the failure to pay, collect or return insurance premiums, escrow monies, earnest money deposits, security deposits, tax money or commissions;

D. the wrongful termination of employment, breach of an employment contract, or other employment disputes;

E. bodily injury, sickness, disease, mental anguish, pain or suffering, emotional distress or death of any person;

F. physical injury to, destruction or loss of use of tangible property;

G. unfair competition, piracy, advertising injury or theft or wrongful taking of concepts or other intellectual property;

H. libel, slander, defamation of character, disparagement, detention, humiliation, sexual harassment, false arrest or imprisonment, wrongful entry or eviction, violation of the right to privacy or malicious prosecution, personal injury or other invasion of rights to private occupancy;
I. discrimination on the basis of race, color, creed, national origin, sex, religion, age, sexual preference, marital status, any mental or physical handicap or disease or any other unlawful discrimination category;

J. **Professional Services** relating to property:
   1. developed or constructed by, or
   2. more than 10% owned by, or
   3. purchased or attempted to be purchased by

   an **Insured** or by the spouse of an **Insured** or by any entity, corporation, partnership or trust in which the **Insured** or spouse of an **Insured** owns or controls more than 10% financial interest;

   however, this exclusion does not apply to:
   (a) any **Claim** arising from the sale of property acquired by the **Insured** pursuant to a guaranteed sale listing contract. The guaranteed sale listing contract must be a written agreement between the **Insured** and the seller of a property in which the **Insured** agrees to purchase the property if it is not sold under the listing agreement in a specified time. For coverage to apply, the **Insured** must hold title to the property for less than one (1) year and must continually offer it for sale; or
   (b) transactions in which:
      (i) the property is listed by an **Insured** who is not the property owner, builder or developer, and
      (ii) the property is advertised, marketed, and promoted by an **Insured** who is not the property owner, builder or developer, and
      (iii) all **Professional Services** related to the transaction, including the sale or closing on the property, are conducted by an **Insured** who is not the property owner, builder or developer, and
      (iv) the transaction would otherwise be covered by this policy.

K. violation of the Employee Retirement Income Security Act of 1974, the Securities Act of 1933, the Securities Exchange Act of 1934 or any state Blue Sky or securities laws, or amendments thereto;

L. failure by an **Insured** to provide or maintain insurance;

M. the **Insured's** activities as a lawyer, title agent, mortgage banker, mortgage broker or correspondent, escrow agent, construction manager, property developer or insurance agent;

N. activities involving property syndication, limited partnership or real estate investment trusts in which any **Insured** has, or had, a direct or indirect interest in the profits or losses;

O. liability assumed by any **Insured** under any contract, indemnity agreement, purchase agreement, hold harmless clause or other similar agreement;

P. whether suddenly or over a long period of time:
   1. the actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of pollutants, asbestos, radon or lead;
   2. the actual or alleged failure to detect, disclose, report, test for, monitor, clean up, remove, contain, dispose of, treat, detoxify or neutralize, or in any way respond to, assess the effects of or advise of the existence of pollutants; or
   3. any nuclear reaction, nuclear radiation or radioactive contamination, or any act, condition or pollution incidental to the foregoing.

As used in this Exclusion, pollution includes the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants. Pollutants include any solid liquid, gaseous, thermal, biological or radioactive substance, material or matter, toxin, irritant or contaminant, including but not limited to radon, asbestos, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Q. whether suddenly or over a long period of time:
   1. the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, growth or presence of; or
   2. the actual or alleged failure to detect, report, test for, monitor, clean-up, remove, contain, dispose of, treat, detoxify or neutralize, or in any way respond to, assess the effects of or advise of the existence of;

   any **Fungi** or **Microbes**, or of any spores, mycotoxins, odors, or any other substances, products or byproducts produced by, released by, or arising out of the current or past presence of **Fungi** or **Microbes**.

   This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the **Damages** claimed.

R. injury or damage expected or intended by the **Insured**;

S. disputes over commissions between real estate brokers and/or salespersons or disputes over commissions involving lawsuits initiated by the **Insured**. This exclusion does not apply to disputes over commissions involving counterclaims filed with the approval of the Company.

T. negligent acts, errors or omissions committed or alleged to have been committed either (1) prior to the date the **Insured** received an
active real estate license or (2) subsequent to the effective date of suspension, revocation or inactive status of the Insured's real estate license;

U. any fines, penalties, assessments, or matters deemed uninsurable under applicable law; or

V. conversion, misappropriation or commingling of funds or other property; or

W. the Insured's activities as an appraiser, if the appraisal activity performed requires licensing or certification, other than a real estate license.

VII. EXTENDED REPORTING PERIODS

In case of cancellation or nonrenewal, a Licensee may be eligible for the following Extended Reporting Periods to apply, both subject to Paragraph C. below:

A. Automatic Extended Reporting Period: In case of cancellation or nonrenewal because a Licensee retires, places license on inactive status or allows license to expire, the policy will apply to Claims first made against the Insured and reported to the Company up to ninety (90) days after the effective date of cancellation or nonrenewal. Said ninety (90) day period will be hereinafter referred to as the Automatic Extended Reporting Period.

B. Optional Extended Reporting Period: In case of cancellation or nonrenewal for any reason, the Licensee shall have the option, upon payment of an additional premium within ninety (90) days after the effective date of the cancellation or nonrenewal, to cause the policy to apply to Claims first made against the Insured and reported to the Company during the Optional Extended Reporting Period. The Optional Extended Reporting Period will replace the Automatic Extended Reporting Period. The premium for the Optional Extended Reporting Period will be fully earned and is determined as shown below:

<table>
<thead>
<tr>
<th>Optional Extended Reporting Periods</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Year</td>
<td>100%</td>
</tr>
<tr>
<td>Two Years</td>
<td>150%</td>
</tr>
<tr>
<td>Three Years</td>
<td>200%</td>
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</table>

The Optional Extended Reporting Period cannot be canceled by the Company or the Insured.

C. Coverage afforded by the Automatic and Optional Extended Reporting Periods:

1. Shall apply solely to Claims arising from a negligent act, error or omission:
   (a) committed or alleged to have been committed subsequent to the Retroactive Date, and
   (b) committed or alleged to have been committed prior to the effective date of cancellation or nonrenewal, and
   (c) which are otherwise insured under all the other terms, conditions and exclusions of this policy.

2. Shall not apply to any Claim which is insured by any other policy of insurance nor as excess above such other policy of insurance.

3. Nothing in Paragraphs A or B shall serve to increase the Limits of Liability as provided in Insuring Agreement II. The Limits of Liability for any Extended Reporting Period shall be a part of, and not in addition to, the Limits of Liability listed on the Declarations.

VIII. DEFINITIONS

A. Annual Policy Term means each one-year period following the effective date of the Group Policy Period.

B. Claim means:
   1. a written demand for money or services received by the Insured, or
   2. service of a lawsuit or institution of arbitration or mediation proceedings against the Insured; seeking Damages and alleging a negligent act, error or omission in the performance or failure to perform Professional Services.

C. Claim Expenses means:
   1. fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a Claim if incurred by the Company or by the Insured with the Company's written consent,
   2. fees charged by attorneys designated by the Company,

Costs, fees or expenses of employees or officials of the Company are not Claim Expenses. Nor shall Claim Expenses include salaries, loss of earnings or other remuneration by or to any Insured.

D. Damages mean judgments, awards and settlements, provided any settlement is made with our prior written consent. Damages do not include fines; penalties or matters deemed uninsurable under applicable law.

E. Fungi means any form of fungus including but not limited to yeast, mold, mildew, rust, smut or mushroom.

F. Group Policy Period means the period set forth on the Declarations Item 2. The Group Policy Period may be shortened by cancellation.
G. **Individual Policy Period** means the period set forth in the Certificate of Coverage commencing with the date the **Licensee** obtained coverage under the current group policy by paying the appropriate premium and ending with the cancellation or expiration of the **Licensee**’s coverage under the current group policy. The **Individual Policy Period** must be within the dates of the **Group Policy Period** shown on the Declarations.

H. **Insured** means the following:

1. the **Licensee**;
2. unlicensed employees of and under the direct supervision of the **Licensee** while acting in the course and scope of their employment; provided always that the **Claim** arises out of a negligent act, error or omission relating to the rendering of or failure to render **Professional Services** on behalf of the **Licensee**.
3. the heirs, executors, administrators or assigns of the **Licensee** in the event of the **Licensee**’s death, incapacity, or bankruptcy but only to the extent that such **Licensee** would have been provided coverage under this policy;

When this policy provides coverage for a **Claim** made against any of its **Insureds** listed in 1, 2 or 3 above, **Insured** will also mean:

4. any **Real Estate Firm** that the **Licensee** represents but only for its vicarious liability for the negligent acts, errors or omissions arising out of **Professional Services** by the **Licensee**.

I. **Licensee** means the person who holds an active real estate license issued by the **Policyholder** under the Tennessee Real Estate Broker License Act, T.C.A. §62-13-101, et. seq. and who has paid the required premium.

J. **Lock Box Liability** means liability for **Damages** arising from an **Insured’s** use of a lock or key box. A lock or key box is a device to allow authorized persons without a key to enter a locked door.

K. **Microbes** mean any non-fungal microorganism or non-fungal colony-form organism that causes infection or disease.

L. **Policyholder** means the Tennessee Real Estate Commission.

M. **Principal Real Estate License** means the state license under which the majority of the **licensee**’s real estate transactions are conducted.

N. **Professional Services** means services performed by the **Licensee** as a real estate broker, affiliate broker or timeshare salesperson as defined in Tennessee Real Estate Broker License Act, T.C.A. §62-13-101, et. seq.

O. **Real Estate Firm** means a legal entity with which brokers or affiliate brokers, or timeshare salespersons as defined in Tennessee Real Estate Broker License Act, T.C.A. §62-13-101, et. seq. are affiliated and which employs the **Licensee**.

P. **Related Claims** means all **Claims** arising out of a single negligent act, error or omission or arising out of **Related Negligent Acts, Errors or Omissions** in the rendering of **Professional Services**.

Q. **Related Negligent Acts, Errors or Omissions** mean all negligent acts, errors or omissions in the rendering of **Professional Services** that are temporally, logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.

R. **Retroactive Date** is the date when the first real estate errors and omissions coverage was effective insuring the **Licensee** on a claim-made basis and since which time the **Licensee** has been continuously insured by coverage similar to that provided by this agreement. The **Retroactive Date** is established separately for each **Licensee**.

IX. **PREMIUM**

This coverage shall not be effective until and unless the application for coverage has been approved by the Company and the premium has been paid. Each **Insured’s** premium shall be fully earned at the inception date of the policy unless the Company cancels the policy.

X. **AUDIT**

The Company may audit the **Insured’s** records to determine the accuracy of pertinent information provided by the **Insured**. The Company will give reasonable notice to the **Insured** of such an audit. The audit will take place during the **Insured’s** regular business hours.

XI. **THE INSURED'S DUTIES IF THERE IS A CLAIM**

A. The **Insured** shall give written notice by submitting a completed **Claim** Form to the Company as soon as possible after the **Claim** is first made but in no event more than ninety (90) days after the **Insured** becomes aware of such **Claim**. Such written notice shall include the name of the **Licensee** and shall include the time, place and details of the **Claim**. Notice shall be delivered to:

<table>
<thead>
<tr>
<th>U.S. Mail Delivery:</th>
<th>Overnight Delivery:</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims Department</td>
<td>Claims Department</td>
<td>(502) 897-1876</td>
</tr>
<tr>
<td>P. O. Box 6709</td>
<td>4211 Norbourne Boulevard</td>
<td>Toll-Free (888) 248-2444</td>
</tr>
<tr>
<td>Louisville KY 40206-0709</td>
<td>Louisville KY 40207-4048</td>
<td>Fax: (502) 897-7174</td>
</tr>
</tbody>
</table>

B. The **Insured** shall not admit any liability, make any settlement, pay any **Damages** or assume any duty or obligation for any
Claim without the prior written consent of the Company. The Insured shall not incur any Claim Expenses for any Claim without the prior written consent of the Company.

C. The Insured shall immediately forward to the Company every demand, notice, summons or other process received by the Insured or the Insured’s representatives about any Claim.

D. The Insured shall cooperate with the Company and, at the Company’s request, the Insured shall assist the Company in responding to the Claim and making settlements. The Insured shall attend hearings and trials and help in securing and giving evidence at the Company’s request.

XII. SUBROGATION
If the Company makes any payment under this policy, the Company shall receive all of the Insured’s rights of recovery against any persons or organizations. The Insured shall assist the Company in whatever way is necessary to secure such rights. When a Claim is made, the Insured shall do nothing to thwart the Company’s recovery of amounts paid to other parties who might be responsible for the Claims.

XIII. CHANGES
The terms of this policy may not be waived or changed unless the Company issues an Endorsement. All Endorsements become a part of this policy. The Policyholder and the Company may make changes in the terms of the policy upon mutual consent.

XIV. ACTION AGAINST THE COMPANY
The Insured may not bring a lawsuit against the Company unless the Insured has complied with all the terms and conditions of this policy. Nor shall an action lie against the Company until judgment or trial determines the Insured’s responsibility to pay.

XV. BANKRUPTCY
Bankruptcy or insolvency of the Insured or the Insured’s estate will not relieve the Company of its obligations under this policy.

XVI. CANCELLATION
A. The Policyholder may cancel this policy by giving, mailing or delivering the Company advance written notice of cancellation or surrendering the policy to the Company at least ninety (90) days before the effective date of cancellation. If the Policyholder cancels the policy, it is responsible for notifying each Licensee of the effective date of cancellation.

B. The Company may cancel this policy in accordance with the provisions of T.C.A. §56-7-1801, et. seq. Notice of cancellation will state the effective date of cancellation. If notice is mailed, proof of mailing will be sufficient proof of notice. If the policy is canceled, the effective date of cancellation will become the end of the policy period.

XVII. NONRENEWAL
If the Company elects not to renew this policy, it will give, mail or deliver to the Policyholder written notice of nonrenewal at least ninety (90) days before:
A. the expiration date of the policy, or
B. the expiration date of the Annual Policy Term.

XVIII. CONFORMITY TO STATUTES
If applicable law is in conflict with this policy, the policy is amended to conform to that law.

XIX. OTHER INSURANCE
This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis, except when purchased specifically to apply in excess of this insurance. When both this insurance and other insurance apply to any Claim, whether primary, excess or contingent, the Company shall not be liable under this policy for a greater proportion of the Damages or Claim Expenses than the applicable Limits of Liability under this policy for such Damages bears to the total applicable Limits of Liability of all valid and collectible insurance against such Claims.

XX. AUTHORIZATION CLAUSE
By accepting this policy, the Insured agrees that the statements in the application are the Insured’s agreements and representations. The Insured agrees that these statements are true and correct as of the inception of this policy. This policy has been issued relying upon those statements and representations. The Insured agrees that the policy and application are the total agreement between the Insured and the Company or its agents.

XXI. TRANSFER
This policy is not transferable.

IN WITNESS WHEREOF, we have caused this Policy to be executed by our Chairperson and Secretary, but this Policy shall not be binding upon us unless completed by the attachment of the Certificate of Insurance and executed by our duly authorized representative.

Chairperson

G-144147-A (Ed. 1/03)
ECONOMIC AND TRADE SANCTIONS CONDITION

The following condition is added to the Policy:

ECONOMIC AND TRADE SANCTIONS CONDITION

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

1. Any insured under this Policy, or any person or entity claiming the benefits of such insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;

2. Any claim or suit that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such claim or suit is prohibited by U.S. economic or trade sanctions;

3. Any claim or suit that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to U.S. economic or trade sanctions;

4. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or

5. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

As used in this endorsement a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department’s Office of Foreign Asset Control (O.F.A.C.) as it may be from time to time amended.

As used in this endorsement a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.