



**TITLE AGENTS, ABSTRACTORS AND ESCROW AGENTS ERRORS AND OMISSIONS
LIABILITY POLICY**

THIS IS A CLAIMS MADE AND REPORTED POLICY. IT APPLIES ONLY TO THOSE CLAIMS THAT ARE BOTH FIRST MADE AGAINST AN INSURED AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD. PLEASE REVIEW THIS POLICY CAREFULLY AND DISCUSS THIS COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

Throughout this Policy, the term "Company" refers to the Insurance Company listed on the Declarations as providing this Insurance.

Other words and phrases that appear in bold have the meaning set forth in Section IV., DEFINITIONS. Refer to Section IV, DEFINITIONS.

I. INSURING AGREEMENT

A. Indemnity

The Company will pay all amounts in excess of the deductible and within the limit of liability that the **Insured** becomes legally obligated to pay as **damages** as a result of a **claim** that is both first made against the **Insured** and reported in writing to the Company during the **policy period** by reason of an act or omission in the performance of **professional services** by the **Insured** or by any person for whom the **Insured** is legally liable, provided that:

1. the **Insured** did not give notice to a prior insurer of such **claim** or a **related claim**;
2. prior to the First Coverage Date shown on the Declarations, no **Insured** had a basis to believe that any such act or omission, or **related act or omission**, might reasonably be expected to be the basis of a **claim**;
3. such act or omission happened on or subsequent to the **retroactive date** specified in the Declarations.

The Company shall also pay **claim expenses** in connection with such **claim**. **Claim expenses** are included within and reduce the limits of liability.

B. Defense and Settlement

The Company shall have the right and duty to defend a **claim** seeking **damages** covered by this policy even if any of the allegations of the **claim** are groundless, false or fraudulent. If a **claim** shall be subject to arbitration or mediation, the Company shall be entitled to exercise all of the **Insured's** rights in the choice of arbitrators or mediators and in the conduct of any arbitration or mediation proceeding.

The Company shall have the right to appoint counsel and to make such investigation, defense, and settlement of a **claim** as is deemed necessary by the Company. The Company shall not settle a **claim** without the **Named Insured's** consent, which consent shall not be unreasonably withheld. If the **Named Insured** refuses to consent to a settlement or compromise recommended by the Company and acceptable to the claimant, then the Company's limit of liability shall be reduced to the amount for which the **claim** could have been settled plus **claim expenses** incurred up to the time the Company made its recommendation, which amount shall not exceed the remainder of the limit of liability specified in Section III A.



C. Exhaustion of Limits

The Company is not obligated to investigate, defend, pay or settle, or continue to investigate, defend, pay or settle a **claim** after the applicable limit of liability has been exhausted by payment of **damages** or **claim expenses** or any combination thereof, or after the Company has deposited the remaining available limits of liability into a court of competent jurisdiction. In such case, the Company shall have the right to withdraw from the further investigation, defense, or settlement of such **claim** by tendering control of said investigation, defense or settlement of the **claim** to the **Insured**.

II. SUPPLEMENTARY PAYMENTS

Supplementary payments are subject to the exclusions set forth in Section V. Payments made under paragraphs A. and B. below are not subject to the deductible and are in addition to the limit of liability shown on the Declarations.

A. Loss of Earnings

The Company **will** pay up to \$250.00 for loss of earnings to each **Insured** for each day or part of a day such **Insured** is in attendance, at the Company's request, at a trial, hearing or arbitration proceeding involving a **claim** against such **Insured**. In no event shall the amount payable hereunder exceed \$10,000.00 per **policy period** regardless of the number of **Insureds** or **claims**.

B. Licensing Proceedings

The Company will pay up to \$10,000.00 to the **Insured** for attorney fees and other reasonable costs, expenses or fees resulting from the investigation or defense of a proceeding before a state licensing board, self regulating body or governmental agency with authority to regulate the **professional services** performed by an **Insured** or to investigate charges made by a client or former client arising out of an act or omission in the performance of **professional services** by the **Insured** incurred by the **Insured** as the result of a notice of proceeding both first received by the **Insured** and reported to us during the **policy period**. In no event shall the amount payable hereunder exceed \$10,000.00 per **policy period** regardless of the number of **Insureds** or the number of such proceedings.

III. LIMITS OF LIABILITY

A. Limit of liability - each **claim**

Subject to paragraph B below, the Company's limit of liability for **damages** and **claim expenses** for each **claim** shall not exceed the amount stated in the Declarations.

B. Limit of liability - in the aggregate

The Company's limit of liability for **damages** and **claim expenses** for all **claims** shall not exceed the amount stated in the Declarations as the aggregate.

C. Deductible

The deductible amount stated in the Declarations is the total amount of the **Insured's** obligation for each **claim** and applies to the payment of **damages** and **claim expenses**. The deductible shall be paid by the **Named Insured**. The deductible applies separately to each **claim**. The limits of liability set forth in the Declarations are in addition to and in excess of the deductible.



D. Multiple **Insureds, claims** and claimants

The limits of liability shown in the Declarations, and subject to the provisions of this **Policy**, are the amount the Company will pay as **damages** and **claim expenses** regardless of the number of **Insureds, claims** made or persons or entities making **claims**. If **related claims** are subsequently made against the **Insured** and reported to the Company under this Policy or any renewal of this Policy, all such **related claims** shall be considered a single **claim** first made and reported to the Company within the **policy period** in which the earliest of the **related claims** was first made and reported to the Company.

E. Mediation Incentive

If mediation of a **claim** takes place either without institution of arbitration proceeding or service of suit or within 60 days of the institution of such proceedings or service of suit, and such **claim** is ultimately resolved by the process of mediation, the deductible applying to the **claim** will be reduced by 50% or \$5,000; whichever is less.

IV. DEFINITIONS

The following defined words shall have the same meaning throughout this Policy, whether expressed in the singular or the plural. Wherever appearing in bold print in this Policy:

“**Asbestos**” means the element in any form, whether or not the **asbestos** was at any time:

- A. airborne as a fiber, particle, or dust;
- B. contained in or formed a part of a product, structure or other real or personal property;
- C. carried on clothing;
- D. inhaled or ingested; or
- E. transmitted by any other means.

“**Bodily injury**” means injury to the body, sickness or disease sustained by any person, including death resulting from such injuries; or mental injury, mental anguish, mental tension, emotional distress, pain or suffering or shock sustained by any person whether or not resulting from injury to the body, sickness, disease or death of any person.

“**Claim**” means an oral or written demand received by the **Insured** for money or services arising out of an act or omission in the rendering of **professional services**. The service of suit or the institution of an arbitration proceeding against the **Insured** will be considered a demand. Except as respects an **innocent insured**, a **claim**, other than a **claim for personal injury**, cannot arise from intentionally wrongful, dishonest, fraudulent, malicious, or criminal conduct committed by an **Insured** or at an **Insured's** direction or with the **Insured's** prior knowledge.

“**Claim expenses**” means:

- A. fees charged by attorneys designated by the Company;
- B. all other reasonable and necessary 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 prior written consent, including, but not limited to, premiums for any appeal bond, attachment bond or similar bond but without any obligation on the Company's part to apply for or furnish any such bond.

However, “**Claim expenses**” shall not include fees, costs or expenses of the Company's employees or officers or independent claims adjusters. Nor shall **claim expenses** include salaries, loss of earnings or other remuneration by or to any **Insured**.

“**Damages**” mean judgments, awards and settlements, provided any settlement is made with the Company's prior written consent. Damages do not include:

- A. the return or restitution of fees, commissions, expenses or costs;



- B. civil or criminal fines, sanctions, penalties, or forfeitures, whether pursuant to law, statute, regulation or court rule;
- C. punitive or exemplary amounts;
- D. the multiplied portion of multiplied awards;
- E. injunctive or declaratory relief;
- F. any amount that is not insurable under any applicable law;
- G. amount of any capital gains taxes owed;
- H. plaintiff's attorney's fees associated with any of the above; or
- I. any restitution of personal profit to which an insured was not legally entitled.

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

"Innocent Insured" means an Insured who, upon request, affirmatively states under oath to the Company that they did not commit or have prior knowledge of the intentionally wrongful, dishonest, fraudulent, malicious or criminal acts or omissions alleged in a claim. A person who fails to take affirmative steps to mitigate loss upon learning of an intentionally wrongful, dishonest, fraudulent, malicious or criminal act or omission, or who is found by a court of competent jurisdiction to have committed such acts or omission, is not an **innocent insured**.

"Insured" means the **Named Insured** and any of the persons or entities listed below but only while rendering **professional services** on behalf of the **Named Insured** for clients of the **Named Insured**:

- A. any **subsidiary** and any **newly acquired subsidiary**;
- B. any person who is or becomes a partner, officer, director, member, manager or employee of the **Named Insured**, a **subsidiary** or **newly acquired subsidiary** during the **policy period**;
- C. any person previously affiliated with the **Named Insured**, a **subsidiary** or **newly acquired subsidiary** as a partner, officer, director or employee of such entity;
- D. any independent contractor, but only if, prior to the date a **claim** is made:
 - 1. the **Named Insured** had agreed to provide insurance for the independent contractor's **professional services**;
 - 2. a **fee** insured to the **Named Insured**;
- E. the **Insured's** estate, heirs, executors, administrators, assigns and legal representatives in the event of death, incapacity, insolvency or bankruptcy of the **Insured**, but only to the extent that the **Insured** would have been provided coverage under this Policy.

"Lead" means the mineral in any form, whether or not the **lead** was at any time:

- A. airborne as a fiber, particle, or dust;
- B. contained in or formed a part of a product, structure or other real or personal property;
- C. carried on clothing;
- D. inhaled or ingested; or
- E. transmitted by any other means.

"Microbes" means any non-fungal microorganism or non-fungal colony-form organism that causes infection or disease.

"Named Insured" means the persons and entities designated as Named Insured in the Declarations.

"Newly acquired subsidiary" means any entity of which the **Named Insured** acquires, through acquisition, merger or formation, during the **policy period**, more than a 50% interest in such corporation, but only upon the conditions that:

- A. within 60 days of such acquisition, the Company shall have been provided with full particulars of such **newly acquired subsidiary**;



- B. the Company, after receipt of such notice has agreed in writing to insure such newly **acquired subsidiary**; and,
- C. the **Named Insured** has paid any additional premium and has agreed to any amendment of the provisions of this Policy. On the date during the **policy period**, that the **Named Insured's** direct or indirect ownership interest in such corporation becomes less than 50% of the issued and outstanding voting stock, such corporation shall cease to be a **newly acquired subsidiary** under the terms of this Policy.

"Personal Injury" means an injury, other than **bodily injury**, arising out of one or more of the following offenses:

- A. false arrest, detention, or imprisonment;
- B. malicious prosecution;
- C. wrongful entry into, wrongful eviction from, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
- D. 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;
- E. oral or written publication of material that violates a person's right of privacy.

"Policy period" means the time from 12:01 A.M. on the inception date of this Policy shown in the Declarations, to the earlier of 12:01 A.M. of the expiration, termination or cancellation date of this Policy.

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

"Professional services" means the following services performed by an **Insured** for others for a fee provided such **Insured**, if required, is appropriately licensed or certified by the state in which such **Insured** is doing business to provide such services:

- A. title insurance agent services;
- B. title searcher services;
- C. title abstractor services;
- D. escrow agent services;
- E. closing agent services;
- F. notary public services;
- G. public records searching services, including searches within title records, Uniform Commercial Code, or any corporate documents;
- H. flood zone certification services; or
- I. witness closer services.

"Property damage" means:

- A. physical injury to real or personal property, including all resulting loss of use of that property; or
- B. loss of use of real or personal property that is not physically injured.

"Radon" means a radioactive, largely inert gaseous element formed by the radioactive decay of radium.

"Retroactive date" if any, is indicated on the Declarations. This Policy excludes from coverage all **claims** by reason of acts or omissions that happened before the **retroactive date**.

"Related claims" means all **claims** arising out of a single act or omission or arising out of **related acts or omissions** in the rendering of **professional services**.



"Related acts or omissions" means all acts 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.

"Subsidiary" means any entity of which the **Named Insured** owns, either directly or indirectly, more than a 50% interest in such corporation and that is listed on the application for this Policy. On the date during the **policy period** that the **Named Insured's** direct or indirect ownership interest in such corporation becomes less than 50% of the issued and outstanding voting stock, such corporation shall cease to be a **subsidiary** under the terms of this Policy. In such event, coverage will be provided under the Policy but only with respect to acts or omissions committed prior to such date in accordance with all other terms and conditions of this Policy. No coverage will be afforded under the Policy with respect to **claims** made against an **Insured** based on any act or omission committed or allegedly committed on or subsequent to such date.

V. EXCLUSIONS

This Policy does not apply to any **claim**:

A. Fraudulent or Dishonest Acts

based on or arising out of any actual or alleged dishonest, fraudulent, criminal, malicious act or omission or intentional wrongdoing by, on behalf of or at the direction of any **Insured**, including but not limited to:

1. any actual or alleged willful or intentional failure on the part of any **insured** to comply with escrow instructions or underwriting or binding authority; or
2. any theft, conversion, commingling, embezzlement, defalcation, or misappropriation by any person, at any time, under any circumstances of escrow, trust, mortgage or any other kind or type of money, funds, securities, property, assets, or any negotiable instruments or documents.

B. Personal Injury

based on or arising out of actual or alleged **personal injury** regardless of cause;

C. Failure to Safeguard Funds

based on or arising out of actual or alleged:

1. any inability or failure to pay, collect or safeguard funds held for others,
2. the disposition, management, or investment of any funds, except to the extent these **professional services** are performed by an escrow agent;

D. Defect in Title

based on or arising out of any defect in title of which any **Insured** had actual or constructive knowledge at the time of issuance of a title insurance policy but which the **Insured** intentionally failed to disclose to the title insurer;

E. **Insured v. Insured**

by or on behalf of any **Insured** under this Policy against any other **Insured** hereunder;

F. Ownership Interest

by or on behalf of any entity:

1. in which any **Insured** or accumulation of **Insureds** have a financial interest exceeding 10%; or
2. which has a financial interest exceeding 10% in the **Named Insured**;



provided that such financial interest existed at the time of the act or omission giving rise to the **claim**;

G. Capacity as Director, Officer

based on or arising out of an **Insured's** capacity as:

1. a former, existing or prospective officer, director, shareholder, partner or manager of a business enterprise or charitable organization (if the above are not named in the Declarations); or
2. a former, existing or prospective officer, director, shareholder, partner manager, or trustee of a fund or trust which is a pension, welfare, profit-sharing, mutual or investment fund or trust.

H. ERISA

for any actual or alleged violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law of the United States, Canada or their states, territories or provinces or any other jurisdiction anywhere in the world.

I. Contractual Liability

based on or arising out of actual or alleged:

1. an **Insured's** alleged liability under any oral or written contract, agreement, guaranty, warranty, promise or representation; or
2. the liability of others an **Insured** assumes under any oral or written contract or agreement, except that coverage otherwise available to an **Insured** shall apply to an **Insured's** liability that exists in the absence of such contract, agreement, guaranty, warranty, promise or representation;

J. Notary Certifications

based on or arising out of the actual or alleged notarized certification or acknowledgment of signature without the physical appearance before the **Insured** of the person who is or claims to be the person signing said instrument;

K. **Fungi** or **Microbes**

based on or arising out of 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.

L. Pollution

based on or arising out of 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**; 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 **pollutants, asbestos, radon or lead.**

M. Anti Trust/Deceptive Trade Practices

based on or arising out of any actual or alleged violation of any laws, rules or regulations concerning anti-trust, restraint of trade, price fixing, copyright, deceptive trade practices, racketeering-influenced corrupt organizations, and conspiracies regarding same;

N. Securities Law

based on or arising out of actual or alleged violation of the Securities Act of 1933 or the Securities Exchange Act of 1934 or any rules, regulations or amendments issued in relation to such acts, or any similar state or federal statutes or regulations, including any **claim** based upon common law principles of liability if made in connection with an actual or alleged violation of any such statute or regulation;

O. Discrimination

based on or arising out of discrimination, humiliation, harassment, or misconduct that includes but shall not be limited to **claims** based on an individual's race, creed, color, age, gender, national origin, religion, disability, marital status or sexual preference.

P. Real Estate Settlement Procedures Act/Kickbacks

based on or arising out of any actual or alleged:

1. violation of the Real Estate Settlement Procedures Act, any of its amendments, or any similar federal, state or local law; or
2. receipt by any **Insured** of any fee, kickback, or item of value for the referral of a mortgage loan to any person or organization.

Q. Interest in Personal Property

based on or arising out of any duty of any kind or nature to record, file, preserve, or perfect any legal, equitable, beneficial or other interest in any personal property, of any kind, on behalf of any party;

R. Mechanical or Electrical Failure

any actual or alleged mechanical or electronic malfunction of any business machine, communication device or computer system;

S. **Bodily Injury/Property Damage**

based on or arising out of any actual or alleged **bodily injury or property damage;**

T. Legal Services

based upon or arising out of any actual or alleged performance of legal services.

VI. CONDITIONS

A. Territory

This Policy applies to acts or omissions which happen anywhere in the world provided that **claim** is made or suit is brought against the Insured in the United States of America, its territories or possessions, Puerto Rico or Canada.



B. Named Insured sole agent

The **Named Insured** shall be the sole agent of all **Insureds** hereunder for the purpose of effecting or accepting any notices hereunder, any amendments to or cancellation of this Policy, for the completing of any applications and the making of any statements, representations and warranties, for the payment of any premium and the receipt of any return premium that may become due under this Policy, for the payment of the deductible and the exercising or declining to exercise any right under this Policy.

C. Notice of claims and potential claims

1. The **Insured**, as a condition precedent to the Company's obligations under this Policy, must promptly give written notice to the Company during the **policy period** or within 60 days after the end of the **policy period** of any **claim** made against the **Insured** during the **policy period**;
2. If during the **policy period**, the **Insured** becomes aware of a circumstance that may reasonably be expected to be the basis of a **claim** against the **Insured**, the **Insured** must give written notice to the Company prior to the expiration of the **policy period**. Such notice must state the reasons for anticipating a **claim**, with full particulars, detailing:
 - a. the specific act or omission;
 - b. the dates and persons involved;
 - c. the identity of anticipated or possible claimants; and
 - d. the circumstances by which the **Insured** first became aware of the possible **claim**.

If such notice is given, then any **claim** that is both made against the **Insured** and reported to the Company during any renewal policy period and that arises out of such circumstance shall be deemed to have been made at the time such written notice was given to the Company.

This condition will not be a barrier to coverage for those **Insureds** who do not have personal knowledge of a **claim** or potential **claim**. However all **Insureds** must promptly comply with this condition upon obtaining such knowledge.

D. Assistance and Cooperation

1. The **Insured** shall cooperate with the Company and upon the Company's request, shall attend hearings, depositions and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and assist in the conduct of suits and proceedings in connection with a **claim**.
2. The **Insured** shall assist in the enforcement of any right of contribution or indemnity against any person or organization who or which may be liable to any **Insured** in connection with a **claim**.
3. No **Insured** shall voluntarily assume or admit any liability or incur any expense, except at its own cost, without our written consent.

E. Legal Action Limitation

1. The **Insured** agrees not to bring a legal action against the Company concerning this Policy unless they have fully complied with all the provisions of this Policy.
2. If, after the final adjudication or settlement of a **claim**, there is any dispute concerning tort allegations against the Company regarding the handling or settlement of any **claim**, the Company and the **Insureds** agree to submit such dispute to any form of alternative dispute resolution acceptable to both parties. Should the Company and the **Insureds** be unable to agree on the form of alternative dispute resolution, then such dispute shall be submitted to binding arbitration by the American Arbitration



Association, under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

F. Changes to the **Named Insured's** business, Acquisitions and Mergers

1. The **Named Insured** must provide prior notice to us of the following events:
 - a. acquisition of the **Named Insured** by another entity;
 - b. the **Named Insured's** merger with another entity;
 - c. the acquisition of all or substantially all of the **Named Insured's** assets by another entity; or
 - d. the acquisition of all or substantially all of the assets of another entity by the **Named Insured**.
2. Upon receipt of such notice, the Company may:
 - a. adjust the premium to reflect the added exposure; or
 - b. solely with respect to item 1. above, deem this Policy to have ceased with respect to **claims** made against the **Insured** based on any act or omission committed or allegedly committed on or subsequent to the time and date of said event. In such case, the **policy period** shall remain unaltered and coverage will continue but only with respect to acts or omissions committed prior to the time and date of any such events in accordance with all other terms and conditions of this Policy.

G. Assignment

No assignment of the **Insured's** interest under this Policy shall be valid, unless the Company's written consent is endorsed hereon.

H. Entire contract

By acceptance of this Policy the **Insured** agrees that:

1. all of the information and statements provided to the Company by the **Insured** are true, accurate and complete and shall be deemed to constitute material representations made by the **Insured**;
2. this Policy is issued in reliance upon the **Insured's** representations;
3. this Policy, endorsements thereto, together with the completed and signed application and any and all supplementary information and statements provided by the **Insured** to the Company (all of which are deemed to be incorporated herein) embody all of the agreements existing between the **Insured** and the Company and shall constitute the entire contract between the **Insured** and the Company; and,
4. the misrepresentation of any material matter by the **Insured** or the **Insured's** agent will render the Policy null and void and relieve the Company from all liability herein. This Policy is void in any case of fraud by the **Insured** relating to it. It is also void if the **Insured** intentionally conceals or misrepresents a material fact or circumstance concerning this Policy.

I. Other insurance

This policy shall be excess over any other valid and collectible insurance, self-insurance or indemnification agreement available to the **Insured**, whether such other insurance or indemnification agreement is stated to be primary, contributory, excess contingent, self-insured retention or otherwise.

J. Subrogation

In the event of any payment under this Policy, the Company shall be subrogated to all the **Insured's** rights of recovery against any person or organization, including any rights the **Insured** may have against any other of the **Insured** involved in dishonest, fraudulent, criminal or malicious conduct. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do



nothing to prejudice such rights. In the event of any recovery, the Company shall first be reimbursed for **damages** and **claim expenses** paid by the Company.

K. Cancellation and Nonrenewal

1. This Policy may be canceled by the **Named Insured** by returning it to the Company. The **Named Insured** may also cancel this Policy by written notice to the Company stating at what future date cancellation is to be effective.
2. The Company may cancel or non-renew this Policy by written notice to the **Named Insured** at the address last known to the Company. The Company will provide written notice at least 60 days before cancellation or non-renewal is to be effective. However, if the Company cancels this Policy because the **Insured** has failed to pay a premium when due or has failed to pay amounts in excess of the limit of the Company's liability or within the amount of the deductible, this Policy may be canceled by the Company by mailing to the **Named Insured** written notice stating when, not less than 10 days thereafter, such cancellation shall be effective. The time of surrender of the Policy or the effective date and hour of cancellation stated in the notice shall become the end of the **policy period**. Delivery of such written notice either by the **Named Insured** or by the Company shall be equivalent to mailing.
3. If the Company cancels this Policy, the earned premium shall be computed pro rata. If the **Named Insured** cancels this Policy, the Company shall retain the customary short rate proportion of the premium. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
4. The offering of terms and conditions different from the expiring terms and conditions shall not constitute a refusal to renew.

L. Notices

Any notices required to be given by the **Insured** shall be submitted in writing to the Company or the Company's authorized representative at the address specified in the Declarations page. If mailed, the date of mailing of such notice shall be deemed to be the date such notice was given and proof of mailing shall be sufficient proof of notice.

M. Bankruptcy

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate will not relieve the Company of its obligations under this Policy.

VII. EXTENDED REPORTING PERIODS

As used herein, "**extended reporting period**" means the period of time after the end of the **policy period** for reporting **claims** made against the **Insured** during the applicable **extended reporting period** by reason of a act or omission which occurred after the **retroactive date** and prior to the end of the **policy period** and which is otherwise covered under this Policy.

A. Automatic **extended reporting period**

If this Policy is canceled or non-renewed by either the Company or by the **Named Insured**, the Company will provide to the **Named Insured** an automatic, non-cancelable **extended reporting period** starting at the termination of the **policy period** if the **Named Insured** has not obtained another policy of title and escrow errors and omissions liability insurance within sixty (60) days of the termination of this Policy. This automatic **extended reporting period** will terminate after sixty (60) days.



B. Optional extended reporting period

If this Policy is canceled or non-renewed by either the Company or by the **Named Insured**, then the **Named Insured** shall have the right to purchase an optional **extended reporting period**. Such right must be exercised by the **Named Insured** within sixty (60) days of the termination of the **policy period** by providing:

1. written notice to the Company; and
2. with the written notice, the applicable additional premium which will be calculated in accordance with the rates and rules in effect on the inception date of this Policy.

The first sixty (60) days of the optional **extended reporting period**, if it is purchased, shall run concurrently with the automatic **extended reporting period**.

C. Extended Reporting Period Limits of liability

The Company's limit of liability for all **claims** reported during the automatic and optional extended **reporting periods** shall be part of and not in addition to the limits of liability for the **policy period** as set forth in the Declarations and Section III, Limits of Liability of this Policy.

D. Elimination of right to any extended reporting period

There is no right to any **extended reporting period** if the Company shall cancel or refuse to renew this Policy due to:

1. non-payment of any amounts due under this Policy;
2. non-compliance by the **Insured** with any of the terms and conditions of this Policy;
3. any misrepresentation or omission in the application for this Policy; or
4. the suspension or revocation of the **Named Insured's** license.

E. Extended reporting period not a new policy

It is understood and agreed that the **extended reporting period** shall not be construed to be a new policy and any **claim** submitted during such period shall otherwise be governed by this Policy.

VIII. TRADE AND ECONOMIC EMBARGOS

This policy does not provide coverage for **Insureds**, transactions or that part of **damages** or **claims expenses** that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

IX. HEADINGS

The descriptions in the headings of this Policy are solely for convenience and form no part of the terms and conditions of coverage.

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

Chairman

Secretary