

Swiss Re Corporate Solutions America Insurance Corporation

In consideration of the payment of the applicable premium specified herein and in reliance upon the statements in the Application and subject to all of the terms and conditions of this policy, Swiss Re Corporate Solutions America Insurance Corporation (hereinafter called the "Company") does hereby agree to provide Employment Practices and Discrimination Liability insurance as follows:

SECTION I

COVERAGE. The Company agrees to pay on behalf of the Insured loss in excess of the applicable deductible and within the limit of liability, both as specified in the Declarations. Such loss must be sustained in defense of a claim under this policy or by the Insured by reason of liability imposed by law for damages caused by:

- (a) a Wrongful Employment Practice, or
- (b) an Act of Discrimination

by the Insured or any persons for whose acts the Insured is legally liable, arising out of the performance of duties for the Named Insured. This policy will apply only to claims first made against the Insured during the policy period.

SECTION II

DEFENSE AND SETTLEMENTS. The Company, in the Insured's name and behalf, shall have the duty to investigate, defend and conduct settlement negotiations in any claim or suit, if such claim or suit alleges a Wrongful Employment Practice or an Act of Discrimination covered under this policy. The Company shall defend in the Insured's name and behalf any claim or suit against the Insured alleging such Wrongful Employment Practice or Act of Discrimination and seeking damages on account thereof, even if such claim or suit is groundless, false, fraudulent, or for an amount less than the Insured's deductible. The Company shall not be obligated to investigate, defend or conduct settlement negotiations on any claim reported to the Company after the limit of liability has been exhausted by payment of loss on other claims, or after the end of the policy period or any applicable extension period.

The Company shall not settle any claim without the consent of the Named Insured. Should the Named Insured refuse to consent to any settlement recommended by the Company and elect to contest the claim, or continue any legal proceedings in connection with such claim, the Company's liability for the claim shall not exceed the amount, if any, in excess of the Insured's deductible for which the claim could have been so settled, or the applicable limit of liability, whichever is less, plus the costs and expenses incurred with the Company's consent up to the date of such refusal.

The Insured shall cooperate with the Company, and, upon the Company's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits.

The Insured shall not admit liability for, nor make any voluntary settlement, nor incur any costs or expenses in connection with any claim involving payment by the Company, except with the written consent of the Company.

SECTION III

DEFENSE EXPENSES AND SUPPLEMENTARY PAYMENTS. With respect to such insurance as is afforded by this policy, the Company shall, provided the limit of liability for the policy period has not been exhausted;

- (a) pay all reasonable expenses incurred by the Insured at the Company's request in assisting the Company in the investigation and defense of any claim or suit, other than loss of earnings;
- (b) pay all costs of the Insured associated with investigations, administrative hearings, or proceedings by the Equal Employment Opportunity Commission or any state or local agency involving allegations of a Wrongful Employment Practice or an Act of Discrimination;

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- (c) pay all premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this policy, all premiums on appeal bonds required in any such defended suit (but without any obligation to apply for or furnish such bonds), all costs taxed against the Insured in any such suit, all expenses incurred by the Company, all interest accruing after entry of judgment until the Company has tendered or paid to the Insured such part of such judgment as does not exceed the limit of the Company's liability thereon;

The Company's obligations under this Section will cease, with respect to all claims, including those then in progress, on the date the Company exhausts its limit of liability, whether by payment or tender of payment of loss, in accordance with Section II.

SECTION IV

LIMIT OF LIABILITY AND DEDUCTIBLE. Irrespective of the number of Insureds covered hereunder, the total liability of the Company for loss on account of all claims first made against the Insured (1) during the policy period, or (2) during the last policy period together with the extension period, is limited to the amount specified in Item 5 of the Declarations as applicable to "each policy period".

The limit of liability as stated in Item 5 of the Declarations shall apply in excess of the deductible.

The deductible, as stated in Item 4 of the Declarations, shall apply to both loss and defense expenses of each claim made against the Insured, but the deductible shall apply only once with respect to each claim. Should the Company, for any reason, pay the entire amount of loss without regard to the deductible the Insured will reimburse the Company, within 30 days of the Company's request for such reimbursement, for that part of the deductible which has been paid.

The inclusion herein of more than one insured or the making of claims or bringing of suits by more than one person or organization shall not operate to increase the Company's limit of liability. Two or more claims arising out of a single Wrongful Employment Practice or Act of Discrimination, or a series of related Wrongful Employment Practices or Acts of Discrimination shall be treated as a single claim. All such claims, wherever made, shall be considered as first made within the policy period or extension period in which the earliest claim arising out of such Wrongful Employment Practice or Act of Discrimination was first made, and all such claims shall be subject to the same limit of liability.

SECTION V

DEFINITIONS. Wherever used in this policy:

- (a) the unqualified term "Insured" shall mean the Named Insured and any owner, partner, executive officer, director, stockholder or employee of the Named Insured while acting within the scope of the person's duties as such;
- (b) the term "loss" shall mean:
 - (1) such amounts as are payable by the Insured in settlement of claims or in satisfaction of awards or judgments, and
 - (2) all defense expenses and supplementary payments paid by the Company pursuant to Section III;
- (c) the term "claims first made" shall mean that the Insured has received notice of legal process, including notice of a complaint being filed with the Equal Employment Opportunity Commission or any state or local civil or human rights agency, or that a demand for money or services has been made against the Insured, or that the Insured has become aware of a proceeding, event or development which could in the future result in the institution of a claim against the Insured. In the event of any such proceeding, event or development, notice must be given to the Company during the policy period;

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- (d) "Wrongful Employment Practices" shall mean conduct with respect to employment that involves one or more of the following: acts of discrimination, sexual harassment, wrongful termination, failure to employ/promote, breach of employment contract, misrepresentation, wrongful discipline, equal pay violations, wrongful deprivation of a career opportunity, negligent evaluation, invasion of privacy, defamation, wrongful infliction of emotional distress, or retaliation;
- (e) "Act of Discrimination" means an act of the Insured with regard to another's employment because of that person's race, religion, creed, age, gender, national origin, disability, handicap, status as an individual with a disability (as defined in the Americans with Disabilities Act of 1990 including any amendments thereto), sexual orientation or preference, pregnancy and any non-employment related act or failure to act with respect to public accommodation or accessibility as required under the Americans with Disabilities Act of 1990 including any amendments thereto.

SECTION VI

EXCLUSIONS. This policy does not apply to:

- (a) any Wrongful Employment Practice or Act of Discrimination committed by the Insured or at the Insured's direction with actual or alleged dishonest, fraudulent, criminal, or malicious purpose or intent;
- (b) bodily injury to, or sickness, disease or death of any person except alleged damages for emotional distress, mental anguish, or humiliation;
- (c) injury to or destruction of any property, including the loss of use thereof;
- (d) any liability assumed by the Insured under contract, unless the Insured would have been legally liable in the absence of such contract;
- (e) exemplary, punitive, multiple or any other type of non-compensatory damages, or any statutory fines or penalties;
- (f) any claim arising out of the breach of a duty, responsibility, or obligation in connection with any employee benefit, retirement plan, or employee welfare benefit plan;
- (g) assault and battery;
- (h) any claim for disability benefits;
- (i) any claim under any Workers' Compensation statute, unemployment compensation statute, the U.S. Social Security Act of 1935, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Employee Retirement Income Security Act of 1974, the Racketeer Influenced and Corrupt Organizations Act (RICO), the Labor Management Relations Act of 1947, or the Workers' Adjustment and Retraining Notification Act, including any amendments, additions and regulations of or issued pursuant to any of the preceding statutes, or any similar state, local or federal law;
- (j) any damages, costs, or expenses incurred by an Insured in making physical changes, modifications, alterations or improvements as part of an accommodation or improvement of accessibility pursuant to the Americans with Disabilities Act of 1990, including any amendments thereto, the Rehabilitation Act of 1973, including any amendments thereto, or any similar federal, state, or local law or regulation;
- (k) any claim first made against the Insured prior to the inception date of this policy or any situation notice of which has been made to a prior carrier as a claim or possible claim.

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- (l) any claim involving a dispute alleging the failure to pay, collect or return fees, taxes, earned commissions, or office expenses.

SECTION VII

PREMIUM. The Named Insured shall pay the Corporation in advance the annual premium in the amount stated in Item 6 of the Declarations, and the payment of such premium shall be a condition precedent to any coverage under this policy. The annual premium may be adjusted with respect to any renewals.

SECTION VIII

EXTENSION PERIOD. If this policy is not renewed by the Company or is cancelled either by the Named Insured or by the Company, the Named Insured shall have the right to purchase a one year extension period by paying within sixty days of the termination date one hundred per cent of the annual premium as stated in the Declarations or in the latest renewal endorsement, but only if:

- (a) the termination of the policy is not based on the Insured's failure to pay premium when due, and
- (b) the Named Insured has not failed, after demand, to reimburse the Company such amounts as the Company has paid of the Insured's applicable deductible or in excess of the limit of liability in settlement of claims or in satisfaction of judgments.

During any extension period, this policy shall cover only claims first made against the Insured during the applicable extension period, which claims are based on Wrongful Employment Practices or Acts of Discrimination occurring during any prior consecutive policy periods covered by this policy, renewal thereof, or any policy issued by the Company which this policy replaces.

At the commencement of the extension period the entire premium shall be deemed earned and, in the event the Insured terminates the extension period before its normal expiration date for any reason, the Company shall not be liable to return to the Insured any portion of the premium for the extension period.

Any change in the premium for, or in the limit, conditions, or terms of this policy shall not be deemed a refusal to renew this policy.

SECTION IX

POLICY PERIOD. This policy shall be in force during the policy period as shown in Item 3 of the Declarations. This policy may be renewed for successive policy periods of twelve months. Each policy period shall begin and end at 12:01 A.M. standard time at the address of the Named Insured.

SECTION X

NOTICE. THE INSURED MUST GIVE PROMPT NOTICE IN WRITING TO THE COMPANY OF:

- (a) any claim made and of any action or suit commenced against the Insured, and
- (b) any proceeding, event, or development which in the judgment of the Insured might result in a claim against the Insured;

and shall forward promptly to the Company or the Company's designee, copies of such pleadings and reports as may be requested by the Company.

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SECTION XI

MERGERS AND CONSOLIDATIONS. In the event of any merger, consolidation or amalgamation involving the Named Insured and any other entity, the Insured shall notify the Company of such change prior to the date of such change. There shall be no coverage under this policy for any newly created entity or newly acquired entity, until such entity has been specifically accepted for coverage in writing, and the appropriate premium determined by the Corporation.

SECTION XII

OTHER INSURANCE. If, but for the insurance afforded by this policy, the Insured would have other insurance against a loss otherwise covered hereby, the insurance afforded by this policy shall be excess over such other insurance.

SECTION XIII

SUBROGATION. In case of payment of loss by the Company hereunder, the Company shall be subrogated to the amount of such payment to the Insured's right of recovery against any other person or organization for such loss, and the Insured shall execute all papers required, and shall cooperate with the Company to secure such rights.

Any recovery (after expenses) shall be shared by the Insured and the Company in the same portion that each bears of the total loss.

SECTION XIV

CHANGES. The terms of this policy shall not be waived or changed, except by endorsements issued to form a part of this policy.

SECTION XV

ASSIGNMENT. No assignment of interest under this policy shall be valid, unless the written consent of the Company is endorsed hereon.

SECTION XVI

ACTION AGAINST COMPANY. No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recovery under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the Insured to determine the Insured's liability, nor shall the Company be impleaded by the Insured or his legal representative. Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Company of any of its obligations hereunder.

SECTION XVII

CANCELLATION AND NONRENEWAL. This policy may be cancelled by the Named Insured by surrender thereof to the Company or any of its authorized representatives or by mailing to the Company written notice stating when thereafter the cancellation shall be effective.

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This policy may be cancelled by the Company by mailing to the Named Insured at the address shown in the policy written notice stating when not less than 60 days thereafter, or 10 days in the case of nonpayment of premium, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender 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 such mailing.

If the Named Insured cancels, earned premium shall be the customary short rate amount of the annual premium. If the Company cancels, earned premium shall be the pro rata amount of the annual premium. Premium adjustment may be made at the time cancellation is effected, and, if not then made, shall be made as soon as practicable after cancellation becomes effective.

The Company's check or the check of its representative mailed as aforesaid shall be sufficient tender of any refund of premium due to the Named Insured, provided that if at the time of cancellation the policy limit for the indemnity period involved has been exhausted, the entire premium shall be considered earned.

The Company reserves the right to decline renewal of this policy but agrees to notify the Named Insured in writing at least 60 days in advance of the expiration date of this policy of its intent not to renew the policy. In the event the Company does not send such notice of non-renewal, the Named Insured shall have a right to renewal of this policy on the terms then being applied by the Company to similar risks for an additional period of time equivalent to the expiring term if the agreed term is a year or less, or for one year if the agreed term is longer than one year, provided that all renewal information has been furnished the Company no later than 15 days prior to the expiration or anniversary date.

SECTION XVIII

DECLARATIONS AND APPLICATION. By acceptance of this policy, the Named Insured agrees that the statements in the Declarations and the Application are its agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy with a copy of the Application attached embodies all agreements existing between the Named Insured and the Company or any of its agents relating to this insurance.

IN WITNESS WHEREOF, the Company has caused the signatures of its executive officers to be affixed hereto, and has caused this policy to be countersigned by an authorized representative of the Company.

SWISS RE CORPORATE SOLUTIONS AMERICA INSURANCE CORPORATION

*Facsimile signature
to be inserted*

President

*Facsimile signature
to be inserted*

Secretary