

ACCOUNTANTS & CONSULTANTS PROFESSIONAL LIABILITY

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M.)	NAMED INSURED

Illinois Amendatory Endorsement

This endorsement modifies coverage provided under the Accountants & Consultants Professional Liability Insurance Policy.

- I. Throughout this policy, the term “spouse” is deemed to include any natural person qualifying as a party to a civil union with **you** under applicable Illinois law.
- II. Section 1. INSURING AGREEMENTS, paragraph 1.2 Additional Coverages, item 1.2.4 **Client Notification and Consultant Costs** Coverage is deleted and replaced by the following:

1.2.4 Client Notification and Consultant Costs Coverage

We will reimburse up to \$50,000 for **Client Notification and Consultant Costs**, to mitigate the potential of legal liability **Claims** arising from a **Privacy Act** which results in the loss or theft of **Confidential Client Information**.

- III. Section 1. INSURING AGREEMENTS, paragraph 1.2 Additional Coverages, 1.2.5 **Discrimination Complaint** Regulatory Coverage is deleted and replaced by the following:

1.2.5 Discrimination Complaint Regulatory Coverage

We will reimburse **you** for **Defense Expenses** and **Damages** and other reasonable costs or fees paid to third parties as a result of a **Discrimination Complaint** both first made against **you** and reported to **us** during the **Policy Period** in accordance with Condition 9.2 Notice of **Claim**.

- IV. Section 1. INSURING AGREEMENTS, paragraph 1.2 Additional Coverages, 1.2.7 Not-for-Profit Directorships Coverage is deleted and replaced by the following:

1.2.7 Not-for-Profit Directorships Coverage

We will reimburse **you** up to a maximum amount of \$25,000 in the aggregate per **Policy Period** for **Damages** or **Defense Expenses** paid by **you** as a direct result of any **Claims** first made against **you** during the **Policy Period** arising out of an act, error, or omission committed by **you** in **your** capacity as a Director or Officer of a **Not-for-Profit Organization**, provided that **your** position as a Director or Officer of such **Not-for-Profit Organization** has been disclosed to **us** in the Application for coverage or in some other written form accepted by **us** prior to **you** committing such act, error, or omission.

- V. Section 6. **EXTENDED REPORTING PERIODS**, paragraphs 6.1 Automatic **Extended Reporting Period** and 6.2 Optional **Extended Reporting Period** are deleted and replaced by the following:

6.1. Automatic **Extended Reporting Period**

Without any additional premium being required **you** shall have sixty (60) days after the effective date of cancellation or non-renewal, upon which the **Policy Period** ends, to report any **Claim** first made against **you** during this sixty (60) day period. This Automatic **Extended Reporting Period** shall terminate, and **you** shall not be entitled to any such Automatic **Extended Reporting Period**, in the event that this insurance is replaced with the same or similar insurance issued by **us** or any other professional liability insurer, whether or not the terms, limits or deductibles are identical to those provided under this Policy.

This Automatic **Extended Reporting Period** shall not be provided if one of the **Extended Reporting Periods** described in 6.2, 6.3 or 6.4, if such is purchased, or otherwise provided.

6.2 Optional **Extended Reporting Period**

If this Policy is canceled or non-renewed, **we** will offer, for an additional premium, an Optional **Extended Reporting Period**.

You may select an Optional **Extended Reporting Period** Option starting at the end of the **Policy Period** and lasting for one (1), three (3), five (5) years, or an Unlimited Period. The additional premium for each Optional **Extended Reporting Period** Option shall equal the applicable percentage, as stated in Item 8. of the Declarations, of the full expiring annual premium.

We will issue an Optional **Extended Reporting Period** endorsement only if:

- 6.2.1 **you** request it within sixty (60) days of the end of the **Policy Period**;
- 6.2.2 **you** have paid all premiums for this Policy at the time **you** request an Optional **Extended Reporting Period** endorsement; and
- 6.2.3 **you** promptly pay when due the additional premium for the Optional **Extended Reporting Period** endorsement.

During the Optional **Extended Reporting Period**, coverage under this Policy applies as excess over any valid and collectible insurance available under policies in force after such Optional **Extended Reporting Period** starts.

VI. Section 8. DEFINITIONS, paragraph 8.28 **You** and **your**, item 8.28.8 is deleted and replaced by the following:

8.28.8 the lawful spouse of any of you solely by reason of:

- a. spousal status; or
- b. a spouse's ownership interest in property or assets that are sought as recovery.

This definition shall not apply to the extent a Claim alleges any act, error, or omission by such spouse.

VII. Section 8. DEFINITIONS, paragraph 8.9 **Damages** is deleted and replaced by the following:

8.9 Damages means a monetary amount for which **you** may be held legally liable, including compensatory amounts, as well as any amounts to correct, monitor, and safeguard personal identities, other than **your** personal identity, that **you** have a legal liability to protect from identity theft. **Damages** shall include judgments, awards, or settlements negotiated with our approval.

Damages shall also include punitive or exemplary damages or the multiple portion of any multiplied damage award if such damages are insurable pursuant to applicable law. **Damages** do not include fines, fee forfeitures, sanctions, taxes, penalties, or awards deemed uninsurable pursuant to any applicable law, except fines or penalties **you** owe pursuant to Taxpayer Protection Act of 2016 or any amendments thereto. Multiple penalties imposed pursuant to Taxpayer Protection Act of 2016 shall not be deemed **Related Claims** under any circumstances.

Notwithstanding the foregoing, if Illinois law governs the interpretation of this Policy, directly assessed punitive damages are uninsurable.

Damages do not include the voluntary return or repayment of fees for **Professional Services**.

Damages also do not include fines or penalties levied against **you**:

- 8.9.1 except fines or penalties **you** owe pursuant to Internal Revenue Code §7216 or unless such fines or penalties are a result of **your** willful or intentional acts. Multiple penalties imposed pursuant to Internal Revenue Code §7216 shall not be deemed **Related Claims** under any circumstances.
- 8.9.2 except that penalties **you** owe pursuant to Internal Revenue Code §6694 shall be considered **Damages**. Multiple penalties imposed under Internal Revenue Code §6694 shall not be deemed **Related Claims** under any circumstances.
- 8.9.3 except that penalties imposed upon **you** pursuant to Internal Revenue Code §6695A shall be considered **Damages**. Multiple penalties imposed under Internal Revenue Code §6695A shall not be deemed **Related Claims** under any circumstances.
- 8.9.4 except this Policy will cover fines, sanctions, and/or penalties levied against **you** for failure to comply with the consumer privacy protection regulations promulgated by the Federal Trade Commission's final rule on privacy of consumer financial information (Title 16 CFR Part 313) otherwise known as the Gramm Leach Bliley Act of 1999. This extension of coverage is further subject to the internal laws of the applicable jurisdiction regarding the insurability of such fines, sanctions, and/or penalties. Any payment made by **us** under this extension shall not apply to the Deductible.

Coverage provided under the foregoing additional sections 8.9.1, 8.9.2, 8.9.3, and 8.9.4 is included within, and is not in addition to, the Limit of Liability as stated in Item 3. of the Declarations, regardless of whether **Defense Expenses** Coverage Option "a" or Coverage Option "b" is selected by **you**. No Deductible shall apply to **Damages** set forth in Section 8.9.1, 8.9.2, 8.9.3, and 8.9.4.

VIII. Section 9. CONDITIONS, paragraph 9.6 Authorization is deleted and replaced by the following:

The first person or entity identified as **Named Insured** in Item 1. of the Declarations agrees to act as designee with respect to the giving and receiving of all notices (other than notices of cancellation, nonrenewal, or renewal premium increase or change in policy terms which will be sent in accordance with Section 9. CONDITIONS, paragraph 9.14 Sending of Notices below), the exercising of any **Extended Reporting Period(s)**, the cancellation of this Policy, the payment of premiums and Deductible amounts, and receiving of any return premiums that may become due.

IX. Section 9. CONDITIONS, paragraph 9.8 Other Insurance is deleted and replaced by the following:

9.8 Other Insurance

If it is determined that both this insurance and any other primary, excess, or contingent insurance or self-insurance, apply to any **Claim** covered by this Policy on the same basis, **we** shall not be liable under this Policy for a greater proportion of the **Damages** and **Defense Expenses** than the applicable Limit of Liability under this Policy for such **Damages** and **Defense Expenses** bears to the total applicable Limit of Liability of all valid insurance whether or not collectible against such **Claims**.

- X. Section 9. CONDITIONS, paragraph 9.11 Cancellation, paragraph 9.11.1 is deleted and replaced by the following:

9.11.1 **We** may cancel this Policy for non-payment of any premium when due by providing to the **Named Insured** and to the broker, if known, or the agent of record written notice stating reason for cancellation and when, not less than thirty (30) days thereafter, such cancellation shall be effective.

- XI. Section 9. CONDITIONS, paragraph 9.12 Non-Renewal and Renewal Rate Increase or Change in Policy Terms is deleted and replaced by the following:

9.12 Non-Renewal and Renewal Rate Increase or Change in Policy Terms:

Non-Renewal: **We** will renew this Policy unless written notice of **our** intent not to renew, stating the specific reasons for nonrenewal, is mailed to the **Named Insured** and to the broker, if known, or the agent of record not less than 90 days before this Policy expires. "Non-Renewal" shall include the failure of **us** to offer a renewal policy, which provides types and limits of coverage substantially equivalent to those contained in the expiring policy.

Renewal Rate Increase or Change in Policy Terms: If **we** increase **your** rate, change the deductible, reduce the limit, or reduce coverage at renewal, **we** will mail to the **Named Insured** and to the broker, if known, or the agent of record at least sixty (60) days prior to the effective date of that increase or change: (a) written notice of any change in coverage; and (b) the specific dollar amount of our rate increase.

A rate increase is defined as any increase in premium except increase due to change in exposure (including claims-made step factors) rating plans based solely on **your** developed experience.

- XII. Section 9. CONDITIONS, paragraph 9.13 Arbitration and Mediation, item 9.13.2 Arbitration is deleted and replaced by the following:

9.13.2 Arbitration

If the dispute is not resolved through mediation as described in Section 9.13.1 Mediation, **you** and **we** may, by mutual consent, submit the dispute to final and binding arbitration. If both parties agree to arbitrate, arbitration shall be conducted in accordance with the rules of the American Arbitration Association. The arbitration panel shall consist of one arbitrator selected by **us**, one arbitrator selected by **you**, and one arbitrator selected by the two arbitrators. In the event that the two arbitrators selected cannot agree on a third arbitrator then the American Arbitration Association shall appoint an arbitrator. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

If acceptable to **us** and **you**, any dispute may, in lieu of binding arbitration, be submitted to another form of **alternative dispute resolution**.

XIII. Section 9. CONDITIONS, paragraph 9.14 Sending of Notices is deleted and replaced by the following:

9.14 Sending of Notices

Any notice of cancellation, nonrenewal, or renewal premium increase or change in policy terms will be mailed by first class registered or certified mail to the to the broker, if known, or the agent of record and all **Named Insureds** at the last mailing addresses known to **us**. Proof of mailing will be sufficient proof of notice.

All other terms and conditions of this Policy remain unchanged.