

ACCOUNTANTS & CONSULTANTS PROFESSIONAL LIABILITY

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

Rhode Island 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 Rhode Island law.
- II. 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 prejudgment interest, judgments, awards, or settlements negotiated with our approval. **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.

Damages do not include the voluntary return or repayment of fees for **Professional Services**, or punitive or exemplary damages or the multiple portion of any multiplied damage award.

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.

III. The following is added to Section 9. CONDITIONS, paragraph 9.7 Subrogation:

When **we** collect payment from a third party, **we** or **our** agent shall, from the funds collected, first pay to **you** the Deductible portion of the payment less the prorated share of subrogation expenses and only after this will **we** retain any funds in excess of the Deductible portion of the recovery.

IV. Section 9. CONDITIONS, paragraph 9.11 Cancellation, items 9.11.1 and 9.11.4 are deleted and replaced as follows:

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

9.11.4 The **Named Insured** may cancel this Policy on behalf of all of **you** by mailing **us** written notice stating when thereafter such cancellation will be effective. Notice of cancellation must be sent to **us** by certified mail to the address set forth in the Declarations. In such event, **we** will refund ninety percent (90%) of the pro rata unearned premium. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

V. 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 agent of record, if any, and to the **Named Insured** not less than ninety (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.

A notice of non-renewal will not be required if:

9.12.1 **we** or a company in **our** insurance group has offered to issue a renewal policy; or

9.12.2 **you** have obtained replacement coverage, or if **you** have agreed, in writing to obtain that coverage.

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 agent of record, if any, and the **Named Insured** 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 amount of our rate increase.

The notice will itemize and describe the coverage changes and shall be separate from the renewal policy. Notice does not have to be provided if the coverage change is at **your** request.

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.

- VI. 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 which, except as set forth below, 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**.

- VII. 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 the agent of record, if any, and to the first **Named Insured** at the last mailing address shown in **our** records.

Proof of mailing will be sufficient proof of notice.

- VIII. The following is added to Section 9. CONDITIONS:

Your Right To Loss Information

Within fourteen (14) days after receiving a request from **you** or **your** authorized agent or broker, **we** shall provide the following loss information, for the period of time coverage has been provided by **us** or for five (5) years, whichever is less:

1. Information on closed claims, including date and descriptions of occurrence, and payments; and
2. Information on open claims, including date and description of occurrence, and amounts of any payments and loss reserves.

All other terms and conditions of this Policy remain unchanged.