

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement, effective 12:01 a.m. forms a part of Policy

No. issued to by

BLANKET NONPROFIT DIRECTORSHIP COVERAGE FOR DEFENSE COSTS

This endorsement modifies insurance provided under the following:

ACCOUNTANTS PROFESSIONAL LIABILITY POLICY

SCHEDULE OF NONPROFIT INSUREDS

XXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXX

- A. The following is added to Paragraph A. COVERAGE of Section I. **INSURING AGREEMENTS**:

NONPROFIT DIRECTORSHIP DEFENSE COSTS COVERAGE

This Policy shall pay on behalf of the **Nonprofit Insured**, all **Defense Costs** that the **Nonprofit Insured** shall be legally obligated to pay, arising from any **Claim** first made against the **Nonprofit Insured** during the **Policy Period** and reported to the Company in writing during the **Policy Period** or within 60 days thereafter, arising out of any actual or alleged act or omission in the **Nonprofit Insured's** capacity or status as a duly elected director, officer or trustee of a **Nonprofit Organization**; provided, however, that prior to the inception date of the first Accountants Professional Liability Policy including this endorsement, issued by the Company to the **Named Insured**, which has been continuously renewed and maintained in effect to the inception of this **Policy Period** (or in the case of any person who during the **Policy Period** qualifies as an **Insured**, as of the date of such qualification), the **Nonprofit Insured** did not know, or could not reasonably foresee that such act or omission might reasonably be expected to be the basis of a **Claim**.

- B. Solely for the purposes of the coverage provided by this endorsement, the following definitions are added to Section III. **DEFINITIONS** as follows:

"Nonprofit Insured(s)" means an individual shown in the SCHEDULE OF NONPROFIT INSUREDS of the **BLANKET NONPROFIT DIRECTORSHIP**

COVERAGE FOR DEFENSE COSTS endorsement who was, now is, or during the **Policy Period** becomes a duly elected or appointed director, officer or trustee of a **Nonprofit Organization**, but only if such service is at the specific request or direction of the **Named Insured**:

“**Nonprofit Organization**” means an entity which qualifies as a **Nonprofit Organization** under Section 501(c)(3), (c)(4), (c)(6), or (c)(7) of the Internal Revenue Code of 1986, including amendments thereto. As used herein, **Nonprofit Organization** shall not include the **Named Insured** or any client of the **Named Insured**.

- C. Coverage provided by this endorsement shall be excess of all valid and collectible Directors and Officers Liability Insurance Policy(ies) which have been issued to such **Nonprofit Organization** and any indemnification provided by such **Nonprofit Organization**. Further, if said Directors and Officers Liability Insurance Policy(ies) shall have been issued to such **Nonprofit Organization** by the Company or any affiliate of the Company, then the sub-limit of liability for **Defense Costs** provided by this endorsement with respect to any such **Nonprofit Organization** shall be reduced by the limit of liability of such Directors and Officers Liability Insurance Policy provided by the Company or such affiliate of the Company to such **Nonprofit Organization**.
- D. Solely for the purposes of the coverage provided by this endorsement, the following Paragraph is added to Section **IV. LIMITS OF LIABILITY AND DEDUCTIBLE**:

BLANKET NONPROFIT DIRECTORSHIP LIMIT

Subject to Paragraph A. **AGGREGATE LIMIT OF LIABILITY** above, the Blanket Nonprofit Directorship Limit of \$XXX,XXX is the most the Company will pay for the sum of all **Defense Costs** arising from a **Claim** against a **Nonprofit Insured** covered under this endorsement.

- E. Solely for the purposes of the coverage provide by this endorsement, the following is added to Paragraph E. **DEDUCTIBLE** of section Section **IV. LIMITS OF LIABILITY AND DEDUCTIBLE**:

The Company shall only be liable for the amount of **Defense Costs** arising from a **Claim** against a **Nonprofit Insured** which is in excess of the applicable Deductible amount stated below. Such Deductible amount to be borne by the **Nonprofit Insured**, with regard to all **Defense Costs** under the coverage provided by this endorsement:

Applicable Deductible: \$XXX,XXX

- F. Solely for the purpose of the coverage provided by this endorsement, Paragraph C. **DEFENSE PROVISIONS** and Paragraph D. **SETTLEMENT PROVISIONS** of Section **I. INSURING AGREEMENTS** are deleted in their entirety and replaced with the following:

The Company does not assume a duty to defend. The **Nonprofit Insureds** shall defend and contest any **Claim** made against them. The **Nonprofit Insureds** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** without the prior written consent of the **Insurer**. Only those settlements, stipulated judgments and **Defense Costs** which have been consented to by the Company shall be recoverable as **Defense Costs** under the terms of this Policy. The Company's consent shall not be unreasonably withheld, provided that the Company shall be entitled to full information and all particulars it may request in order to reach a decision as to such consent and shall be entitled to effectively associate in the defense and the negotiation of any settlement of any **Claim**.

All other terms and conditions of the policy remain the same.

SAMPLE

Authorized Signature