

Employment Protection Insurance

(Specimen Policy)

Insurance Company
Address
City and State



Declarations

Item 1. Named Insured

Item 2. Policy Period

Item 3. Policy Limit

- a. Employment Legal Defense Costs and License Defense Costs - \$ _____
- b. Fines and Penalties - \$ _____
- c. Covered Expenses - \$ _____ per day, not to exceed \$ _____
- d. Civil Legal and Penalty Defense Costs - \$ _____

The Aggregate Policy Limit for all Claims under this Policy per Named Insured during the Policy Period is \$ _____

Draft: 09/04/2022

The coverage under this **Policy** is provided on a claims made and reported basis and applies to **Complaints, Allegations or Charges** regarding **Employment Incidents** against **You** resulting in **Dismissal or Suspension of Employment** and reported to **Us** by **You** during the **Policy Period**. The **Aggregate Policy Limit** shown on the **Item 3** of the **Declarations** is the maximum amount **We** will pay **You** under this **Policy** during the **Policy Period** and any **Extended Reporting Period**.

I - Insuring Agreement

In consideration of the **Premium** charged and in reliance on the statements made and information provided to **Us**, including but not limited to the statements made and information provided in and with the **Application**, which is made a part of this **Policy**, as well as subject to the policy limit and all of the terms, conditions, limitations, and exclusions of this **policy**, **We** agree with **You** as follows:

We will pay **You** up to the **Policy Limit** and **Aggregate Policy Limit** stated in **Item 3** of the **Declarations** for a **Loss** incurred by **You**. Such **Complaints, Allegations or Charges** must:

1. be covered under this **Policy** for **Employment Incidents** as provided on an incident discovered and reported basis, and as applied to incidents first discovered by **You** and reported to **Us** during the **Policy Period** stated in the **Item 2** of the **Declaration** and provided the **Claim** is first made against **You** before the end of the **Policy Period** and the 60 day **Extended Reporting Period**; and
2. for **License Protection Incidents** be filed against **You** with a state or federal administrative agency, licensing or regulatory authority responsible for regulating **Your Professional Services or Business Services** conduct.

Loss means **Employment Defense Costs, License Defense Costs, Covered Expense costs, and Civil Legal and Penalty Defense costs**.

Included within, the **Policy Limit** are **Covered Expenses** incurred by **You** as a result of **Your** required attendance at a **Disciplinary Hearing or Proceeding**. The amount payable for **Covered Expenses** will not exceed \$500 per each day of proceeding.

Loss of Income Costs means compensation or damages obtained from a settlement or lawsuit with an **Employer** and may include settlement proceeds and court awards. **Loss of Income Costs** are paid only if a **Wrongful Termination** appeal is sustained in a civil court, arbitration or during a settlement with an **Employer**. otherwise **You** may not be entitled to **Loss of Income Costs**. **Loss of Income Costs** are not insured under this **Policy**.

You have the right to select **Your Legal Defense Counsel**, but only for the purpose of **Your** defense of **Complaints, Allegations or Charges** and **Disciplinary Hearings or Proceedings**.

We do not provide defense or insure any third party claims or liability from others against **You** for **Professional Services or Business Services** including claims and liability or any loss resulting from rendering professional services to third parties even though direct costs incurred by **You** for a **License Protection Incident** from rendering **Professional Services or Business Services** are insured under this **Policy**.

We do not provide defense or insure any third party claims or liability from others against **You** for **Employment Incidents** from third parties even though direct costs incurred by **You** for **Employment Incidents** are insured under this **Policy**.

II - Definitions

A. Advertising means online, digital, or electronic promotion by broadcast, transmission, dissemination, telecast, cablecast, podcast, streaming, publication, republication, or by use of a website or social media.

B. Allegations or Charges means claims of wrongdoing, whether true or not against **You** by a third party or **Your** employer that results in disciplinary action by **Your** employer and causing **Your** loss of employment.

C. Civil Legal and Penalty Defense means expenses for investigation and defense of a legal action brought against **You** by a third party regarding alleged violation and damage as a result of a **License Protection Incident**.

D. Claim means a demand for **Claim Expenses** by **You** to **Us**.

E. Claim Expenses means the reimbursable amount incurred by **You** or by **Us** with **Our** prior written consent for a **Loss** covered by this policy.

F. Claim Expenses will not mean and **We** will not be obligated to pay: 1. overhead costs, general business expenses, salaries, or wages incurred by **You**; 2. the defense of any criminal investigation, criminal grand jury proceeding, or criminal action, or 3. any third party **Professional Services or Business Services** liability loss or claim against **You**.

G Class Action, also known as a class-action lawsuit or representative action, is a type of lawsuit where one of the parties is a group of people who are represented collectively by a member or members of that group.

H. Complaint means the official documentation required by an entity responsible for regulating **Your** profession or business conduct to trigger an investigation of **You** for a **License Protection Incident**.

I. Covered Expenses means only expenses for travel, food, lodging, and wage loss for a **Disciplinary Hearing or Proceeding**. **You** must provide us with written documentation containing sufficient information and detail to identify **You**, the time, place and circumstances that resulted in such expenses. **You** must also identify the court and all parties to the action before the court.

J. Disability Discrimination in the workplace is illegal under both state, city and federal law. An employer cannot take any adverse employment actions because an employee suffers from a disability.

K. Disciplinary Hearing or Proceeding means a hearing or a professional or business review conducted by any state or federal administrative agency, licensing or regulatory authority responsible for regulating **Your** professional or business conduct related to a **License Protection Incident**.

L. Discrimination Violations means unfair or unequal treatment of an individual (or group) based on certain characteristics, including, age, disability, ethnicity, gender, marital status, national origin, race, religion, and sexual orientation.

M. Dismissal or Suspension of Employment means loss of work and employment income due to **Complaints**, **Allegations or Charges** regarding **Employment Incidents**.

N. Employment Defense Costs means legal expenses for allegations and charges regarding **Employment Incidents**.

O. Employment Incidents means **License Protection Incidents**, **Discrimination Violations**, **Political Correctness Incidents**, **Whistle Blowing Incidents**, **Hostile Work Environment Incidents**, **Professional Liability Incidents**, **Illegal Activity Incidents**, **Disability Discrimination**, **Pregnancy Discrimination**, **Racial Occurrence**, **Virus or COVID Disciplinary Actions**, **Incompetence**,

Insubordination, Wage and Overtime, Layoffs and Closings, Leave of Absence, Severance Pay and Settlement, Sexual Harassment Incidents and/or **Work Place Retaliation**. Not all **Incidents** are covered by federal or state law regarding **Wrongful Dismissal** and legal recourse may not be available, In such cases, **Legal Defense Counsel** will attempt to negotiate a settlement for your interests, which may or may not be successful.

I. Extended Reporting Period means the 60 day period of time after the **Policy Period** for reporting **Claims** due to any **Employment Incidents**. Such incidents must happen on or after the inception of the **Policy Period** and before the end of the **Policy Period**.

Q. Fines and Penalties means civil fines or penalties imposed by a governmental or regulatory agency and arising from a **License Protection Incident**, unless the civil fine or penalty imposed is uninsurable under the law of the jurisdiction imposing such fine or penalty. Punitive damages are not insurable under this **Policy**.

R. Hostile Work Environment Incidents means a work environment meets certain legal criteria, according to the U.S. Equal Employment Opportunity Commission (EEOC) including: a. unwelcome conduct, or harassment based on race, sex, pregnancy, religion, national origin, age, disability or genetics, b. harassment is continued and long lasting, and c. conduct is severe enough that the environment becomes intimidating, offensive or abusive.

S. Illegal Activity Incidents means a refusal to participate in any activities for illegal purposes, such as tax evasion, tax fraud, securities fraud, fraud, corruption, coercion, collusion, obstruction, money laundering, financing of terrorism, organized crime or any illegal activity according to federal, state or local applicable laws.

T. Incompetence means inability to perform necessary work in a satisfactory manner.

U. Insubordination is employee's intentional refusal to obey an employer's lawful and reasonable orders.

V. Labor Action means labor unrest, including strike, work stoppage, slowdown, sick-out, picketing and any other concerted job action.

W. Layoffs and Closings includes employees protected by federal and state WARN laws for a layoff or shutdown. These law require an employer to give advance warning regarding large layoffs or shutdowns.

X. Leave of Absence includes medical, family, military and other legally permitted employee absence leave.

Y. License Defense Costs means expenses for investigation and legal defense of **Complaints** for a **License Protection Incident** including **Fines and Penalties**.

Z. License Protection Incident means an event or circumstance arising out of an actual or alleged violation of the standards that govern **Your** profession, leading to a **Complaint** filed against **You**, charging **You** with professional or business misconduct, incompetence or physical or mental incapacity, and which could result in a **Disciplinary Hearing or Proceeding** and which may result suspension or termination of employment.

AA. Loss means any reimbursable amount covered by this **Policy**.

BB. Loss of Income Costs means compensation or damages obtained from a settlement or lawsuit with an **Employer** and may include settlement proceeds and court awards. **Loss of Income Costs** are paid only if a **Wrongful Termination** appeal is sustained in a civil court, arbitration or during a settlement with an **Employer**. otherwise **You** may not be entitled to **Loss of Income Costs**. **Loss of Income Costs** are not insured under this **Policy**.

CC. Pregnancy Discrimination during employment is against federal, city and state laws. The Family Medical Leave Act also allows both the mother and father to unpaid maternity leave if the company employs more than 50 people and the employee has worked for the company more than one year.

DD. Professional Liability Incident means **You** are a defendant in a professional liability claim and pleaded innocence for any acts, errors or omissions resulting in an alleged claim and such claim was not adjudicated in a court of law with a guilty verdict, but was settled by the employer with the plaintiff without admitting guilt or responsibility and **You** were subsequently subject to **Dismissal or Suspension of Employment**.

EE. Professional Services or Business Services means mean all acts or events that are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.

FF. Policy Period means the period of time stated in **Item 2** of the **Declarations**,

BB. Political Correctness Incident means either speech or writing considered to be offensive for political, racial or economic reasons and which may result suspension or termination of employment. **Political Correctness** is not a "belief" under U.S. or state anti-discrimination laws.

GG. Racial Occurrence means allegations of racial comments, actions, remarks of an offensive or prejudiced nature.

HH. Severance Pay and Settlement may provide additional compensation in exchange for the release of claims occurring during employment. Options may be available to enforce certain rights or conditions for a more favorable outcome, such as. additional compensation, payment for unused vacation and sick days, extensions of health insurance, unemployment benefits, positive letters of reference, and outplacement services.

II. Sexual Harassment Incident means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature of an employee and as further defined by the U.S. Equal Employment Opportunity Commission (EEOC).

JJ. Virus or COVID Disciplinary Actions means any **Dismissal or Suspension of Employment** related to arbitrary rules regarding voluntary medical vaccinations or inoculations.

KK. Wage and Overtime includes employees may be protected by contract or Department of Labor overtime rules.

LL. We/Us/Our means the Underwriters identified on the **Declarations** as issuing this policy.

MM. Whistle Blowing Incident means alleging wrongdoing by an employer regarding activities or practices that violate public law or tends to injure people.

NN. Work Place Retaliation means an employer punishes **You** for engaging in legally protected activity. Retaliation can include any negative job action, such as demotion, discipline, firing, salary reduction, or job or shift reassignment. Dependent on facts and circumstances **Work Place Retaliation** may involves other negative actions or practices

OO. Wrongful Dismissal means suspension or termination of employment. Generally, it is not illegal for an **Employer** to terminate **You** for any number of lawful reasons. An employer may not need cause to justify **Your** termination. However, an employee who is terminated under suspicious circumstances may be a victim of **Wrongful Dismissal**. Such circumstances include discrimination, sexual harassment, whistle blowing, violation of employment contract violation and retaliation for complaining of your employment rights.

PP. You or Your means the **Named Insured**

For other activities and practices, not specifically regarded as **Wrongful Dismissal** under federal or state law and which are covered as **Incidents** by this **Policy** facts and circumstances may determine any **Loss of Income Costs**, if any.

III - Exclusions

This policy does not apply to and **We** will have no obligation to pay any **Loss, Damages, Claim Expenses**, or other amounts for:

A. injury to:

1. An **Employee of Yours** arising out of and in the course of employment by **You**; or
2. A **Family Member** of that **Employee** as a consequence of 1 above; or
3. **Your Family Member**;

upon or arising out of any actual or alleged: a) harassment, wrongful termination, retaliation, or discrimination, including but not limited to adverse or disparate impact; or b) liability or breach of any duty or obligation owed to an organization and/or its shareholders by any of the organization's current or former board members, trustees, directors, or officers (or equivalent position), in their capacity as such.

This exclusion applies:

1. Whether **You** may be liable as an employer or in any other capacity; or
2. To any obligation to share amounts with or repay someone else who must pay amounts because of the injury.

B. any unemployment, workers' compensation, disability benefits, or other similar law.

C. any of **Your** acts, errors or omissions for liability in **Your** capacity regarding **Professional Services or Business Services** rendered to third parties or any civil liability .

D. any liability to third parties that **You** assume under any contract or agreement except as related to a **License Protection Incident**, but specifically excluding any damages due to any of **Your** acts, errors or omissions for liability in **Your** capacity regarding **Professional Services or Business Services** rendered to third parties.

E. a willful violation of a statute, ordinance or regulation imposing criminal penalties. We will defend any civil suit against **You** seeking amounts, which would be covered if this exclusion did not apply. In such case, we will pay only **Claim Expenses**.

F. Injury or Damage based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving **Your** owning, using, taking care of, operating, leasing or renting, loading or unloading of patients or property from, transporting patients in, or entrusting to others an auto, mobile equipment, watercraft or aircraft, including an auto, mobile equipment, watercraft or aircraft which is loaned to the **Named Insured** or which is operated for the **Named Insured** by its employee, including an employee-owned auto.

G. any **License Protection Incident** expected or intended, or which a reasonable person would have expected.

H. a willful violation of a statute, ordinance or regulation imposing criminal, civil or regulatory penalties.

actual or alleged involvement in any:

1. Federal or state anti-trust law violation; or
2. Agreement or conspiracy to restrain trade.

This exclusion does not apply to **Claims** arising from **Your** activity as a member of any committee, panel, or board which provides underwriting or claims advice or recommendations, provided **Your** activity is within the scope of the committee's, panel's, or board's established guidelines.

J. the return or withdrawal of fees or government payments imposed directly upon **You**; any fines, penalties or sanctions; punitive or exemplary amounts; or the multiplied portion of any multiplied award, imposed by law.

K. any **License Protection Incident** while **Your** license or certification to practice is suspended, revoked, or no longer valid.

L. any **License Protection Incident**:

1. that happened: a) before the policy inception date; or b) after the policy inception date if, on the inception date of this policy, **You** knew or had been told that it would result in a **Claim**; or
2. which on the inception date of this policy a) is the subject of a reported **License Protection Incident**; or b) pending claim or proceeding; or c) is a paid **Claim**;
3. Coercion, demotion, reassignment, defamation, harassment, humiliation, discrimination or other employment related practices, policies, acts or omissions.

M. any act of sexual intimacy, sexual molestation or sexual assault. We shall provide **You** with a defense of such **Claim** unless or until such act has been determined to have occurred, by any trial verdict, court ruling, regulatory ruling or legal admission, whether appealed or not. Such defense will not waive any of our rights under this Policy. Criminal proceedings are not covered under this Policy regardless of the allegations made against **You**.

N. any false or misleading advertisement based upon or arising out of any actual or alleged false or misleading **Advertisement**.

O. Pollution based upon or arising out of any actual, alleged, or threatened discharge, dispersal, release, or escape of pollutants, including any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants.

P. Property Damage based upon or arising out of any actual or alleged damage to, or destruction or loss of use of, any tangible property.

Q. Racketeering based upon or arising out of any actual or alleged collusion, extortion, threatened violence, or violation of racketeering or conspiracy law, including but not limited to violation of the Racketeer Influenced and Corrupt Organizations (RICO) Act and all amendments to this Act or any rules or regulations promulgated under it.

R. Related or Continuing License Protection Incident Event based upon or arising out of any related or continuing acts, errors, incidents, or events where the first act, error, incident, or event first occurred prior to the **Policy Inception Date**.

S. Securities/Taxation/ Fiduciary based upon or arising out of any actual or alleged: a) violation of any federal, state, local, or foreign securities law, including but not limited to the U.S. Securities Act of 1933 and Securities Exchange Act of 1934, both as amended, or any similar law; b) violation of any taxation law or regulation; or c) breach of any fiduciary duty owed by **You**.

T. Unfair competition/ trade practices based upon or arising out of any actual or alleged unfair competition, deceptive trade practices, restraint of trade, or antitrust violation.

U. Employee Dismissal Involving Prohibited Acts including actual, documented and proven: Incompetency, Insubordination, Attendance, Theft, Sharing confidential information, Sexual harassment, Violence, Threats, Misconduct (Bullying, Criminal behavior, Lying, Fraud, Spying for a competitor), Substance abuse, Damaging property, Falsifying records.

V. Employment Incidents resulting from **Labor Actions** is not insured under this **Policy** and will not be considered a **Wrongful Dismissal** or covered for **Employment Defense Costs**.

W. Your knowledge at **Policy** inception of any current **Employment Incident** that may give rise to a claim under this **Policy** is not insured.

IV - Terms and Conditions

1. Limits

A. Each Claim

The **Policy Limit** stated in **Item 2** of the **Declarations** as applicable to “each **Claim**” means that our liability for such **Claim** shall not exceed such stated amount.

B. Aggregate Policy Limit

Subject to provision A. above, as applicable to “all **Claims** in the aggregate” means that our liability shall not exceed such stated amount regardless of number and amount of **Claims**.

C. Claim Expenses

Claim expenses are payable under the **Policy Limit**.

2. Notice and Duties in the Event of a Claim

A. The **Named Insured** must notify **Us** in writing, during the **Policy Period** or any renewal **Policy Period**, of any: 1) **Complaints, Allegations or Charges** made against **You** during the **Policy Period**; or 2) notice, advice or threat, whether written or verbal, that any person or organization intends to hold **You** responsible for any **Employment Incidents**.

B. During the **Policy Period**, **You** give us notice of any **Complaints, Allegations or Charges** for any **Employment Incidents** detailing: 1) the specific act; 2) the dates and persons involved; 3) the identity of anticipated or possible claimants; and the circumstances by which **You** first became aware of the possible **Claim**.

3. Extended Reporting Period

If this policy is cancelled or non-renewed, by either us or by the **Named Insured**, then the **Named Insured** shall have the right to an **Extended Reporting Period** as follows:

A. Automatic Extended Reporting Period

1. We will provide to the **Named Insured**, at no additional premium, an automatic **Extended Reporting Period**, for the purpose of reporting a **Claim**, which begins at the termination of the **Policy Period**. This **Extended Reporting Period** will terminate after sixty (60) days.

2. If the **Named Insured** writes to us within sixty (60) days of the termination telling us that **Named Insured** wants an **Extended Reporting Period** beyond the automatic sixty days, and pays the premium to us promptly when due, the period of time allowed by the policy for the reporting of **Claims** to us shall be extended in accordance with the rules, rates and rating plans, if available, in effect for **Us**. Once paid, the premium for this option is non-refundable and considered fully earned.

3. Such extension for the reporting of **Claims** shall not apply to: a) any pending **Claims** or proceedings; or b) any paid **Claims**; or c) **Employment Incidents** that are covered under any subsequent insurance **You** purchase, or that would be covered but for exhaustion of the **Policy Limit** or **Aggregate Policy Limit** applicable to any **Employment Incidents**.

B. Our **Aggregate Policy Limit** for all **Claims** reported during the **Extended Reporting Period** shall be part of, and not in addition to, the **Aggregate Policy Limit** for the **Policy Period** as set forth in **Item 3** of the **Declarations**. The **Extended Reporting Period** does not extend the **Policy Period**, change the scope of coverage provided, or increase the **Policy Limit** or **Aggregate Policy Limit**.

C. There is no right to any **Extended Reporting Period** if we cancel or refuse to renew this policy due to any of the following, 1) non-payment of premium; or 2) non-compliance by **Named Insured** with any of the terms and conditions of this Policy; or 3) any misrepresentation or omission in the application for this Policy.

4. Related Claims and Losses

For purposes of this policy: 1) all **Claims** arising from any common nexus of fact, circumstance, situation, event, transaction, or cause, or series of related facts, circumstances, situations, events, transactions, or causes will be considered a single **Claim** made against **You** on the date the first such **Claim** was made; 2) all events arising from any common nexus of fact, circumstance, situation, event, transaction, or cause, or series of related facts, circumstances, situations, events, transactions, or causes will be considered a single event first discovered on the date the first such event was discovered by **You**; and 3) all **Claims** or **Losses** arising from the same or related events will be considered a single **Claim** or **Loss** first made against or incurred by **You** on the date the first event was discovered by **You**.

5. Cancellation

A. This **Policy** may be canceled by the **Named Insured** by giving advance written notice to **Us** at the address on the **Declarations** stating when thereafter such cancellation will be effective.

B. This policy may be canceled by **Us** only if the **Named Insured** fails to pay the premium within 30 days of the inception of the **Policy Period**. In such cases, **We** will mail to the **Named Insured** by registered, certified, or other first class-mail, at the **Named Insured's** address stated in **Item 1** of the **Declarations**, written notice stating when the cancellation will be effective, such date not to be less than ten days thereafter.

C. The mailing of such notice will be sufficient proof of notice and this policy will terminate at the date and hour specified in such notice.

D. If this policy is canceled by the **Named Insured**, **We** will retain the customary short rate portion of the premium.

E. Payment or tender of any unearned premium by **Us** will not be a condition precedent to the effectiveness of the cancellation, but such payment will be made as soon as practicable.

F. Termination of **Your** coverage shall cease if **You** fail to pay **Premium**

7. Duty to Cooperate

A. **You** must provide **Us** with full, timely, and accurate information about all matters, **Claims**, and **Losses** notified to **Us** under this policy. If **You**, or anyone on **Your** behalf, tries to deceive **Us** by deliberately giving false information in connection with a notification, **We** will immediately be relieved of all obligations under this policy with respect to the notification at issue, including the duty to defend **You**.

B. If **We** have accepted notice of any matter, **Claim**, or **Loss** under this policy, then **You** must: 1) give **Us**, or anyone appointed by **Us**, at **Your** expense, all the assistance, cooperation, and information which **We** reasonably require under this policy, and **You** must do anything **We** reasonably request to avoid, minimize, or resolve any matter, **Claim**, or **Loss**, including paying the **Retention** when requested by **Us**; and 2) notify **Us** as soon as practicable of all settlement offers made by a claimant in connection with any **Claim** or potential **Claim**.

C. **You** will not make any payment, incur any expense, admit any liability, or assume any obligation without **Our** prior consent.

7. Other insurance

Any payment due under this policy is specifically excess of and will not contribute with any other valid and collectible insurance unless such other insurance is specifically written as excess insurance over the limit of this policy.

8. Subrogation

In the event of any payment by **Us** under this policy, **We** will be subrogated to all of **Your** rights of recovery to such payment. **You** will do everything that may be necessary to secure and preserve such subrogation rights, including but not limited to the execution of any documents necessary to allow **Us** to bring suit in **Your** name. **You** will do nothing to prejudice such subrogation rights without first obtaining **Our** written consent.

Any recovery will first be paid to **Us** up to the amount of any **Loss**, **Claim Expenses**, or other amounts that **We** have paid. Any remaining amounts will be paid to **You**.

9. Alteration and Assignment

No change in, modification of, or assignment of any interest under this policy will be effective unless made by written endorsement to this policy signed by **Our** authorized representative.

10. Representations

You agree that all representations (whether oral or written) made and all materials submitted in connection with the application for this policy are true, accurate, and not misleading, and were relied upon by **Us** and were material to **Our** decision to issue this policy. If **We** learn that such representations or submitted materials were untrue, inaccurate, or misleading in any material respect, **We** are entitled to treat this policy as if it had never existed.

11. Bankruptcy and Insolvency

Your bankruptcy or insolvency will not relieve **Us** of **Our** obligations under this policy.

12. Sanctions

This policy will not be deemed to provide coverage and **We** will not be liable to pay any **Claim** or **Loss** or provide any benefit under the policy to the extent that the provision of such coverage, payment of such **claim** or **Loss**, or provision of such benefit would expose **us** to any sanction, prohibition, or restriction under United Nations resolutions or the trade or economic sanctions, laws, or regulations of the European Union, United Kingdom, or United States of America.

13. Legal Defense Counsel

You have the right to select **Legal Defense Counsel**, but only for the purpose of **Your** defense of **Complaints, Allegations or Charges** and **Disciplinary Hearings or Proceedings** for any **Employment Incidents**. The amount payable for attorney fees will not exceed \$500 per hour.

14. Reimbursement

We are entitled to reimbursement for any **Employment Defense Costs, License Defense Costs, Covered Expense**, and **Civil Legal and Penalty Defense** expenses from any proceeds **You** received from **Loss of Income Costs** in a settlement, severance or a lawsuit.

15. Prior Knowledge and Waiting Period

You warrant in the **Application** for insurance that **You** have no knowledge of any **Employment Incident** that may give rise to a current claim. There is a **Waiting Period** of 90 (ninety) days before any **Employment Incident** will be covered under this **Policy**. The Waiting Period does not apply to any uninterrupted **Policy** renewals.

16. Severance Agreements

Severance agreements generally provide an employee with additional compensation in exchange for the release of any and all claims that may have arisen during their employment. However, options may be available to enforce certain rights or conditions for a more favorable outcome, such as: additional compensation, payment for unused vacation and sick days, extensions of health insurance, unemployment benefits, positive letters of reference, and outplacement services.

17. Job Placement

Upon Dismissal or Suspension of Employment You are required to register with an approved job placement website and seek new employment.

18. Class Actions

Employment Defense Costs may include **Your** allocated cost of **Class Action** legal defense for covered **Workplace Incidents**.

19. Consultation

You are entitled to a free, initial legal review of your case to determine its merits. An attorney must opine that **Your** dispute has a reasonable possibility of financial success to be covered under this **Policy**.

20. Headings

The titles of paragraphs, sections, provisions, or endorsements of or to this policy are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the policy.

Program Administrator

Name

Address

City/State