

# **E & O Insurance**

## **Exclusions – Claims Not Covered**

E&O Insurance shall not cover the following claims:

- A. Arising out of a dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, or gaining of any profit or advantage to which you are not legally entitled; however, we will defend suits alleging any of the foregoing conduct until there is a judgment, final adjudication, adverse admission or finding of fact against you as to such conduct at which time you shall reimburse us for claim expenses; we shall not cover any claim if you plead nolo contendere or no contest to a criminal proceeding against you arising out of the same, or essentially the same, material facts as such claim:
- B. Arising out of the presence of or the actual, alleged or threatened discharge, dispersal, release or escape of pollutants, or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of pollutants;
- C. Arising out of bodily injury or property damage;
- D. Arising out of:
  - 1) Any purchase, sale, or offer or solicitation of an offer to purchase or sell securities;
  - 2) Any violation of any securities law, including the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any regulation promulgated under the foregoing statutes, or any federal, state or local laws similar to the foregoing statutes (including “Blue Sky” laws), whether such law is statutory, regulatory or common law; or
  - 3) Any violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced And Corrupt Organizations Act, or “RICO”), as amended, or any regulation promulgated there under or any federal, state or local law similar to the foregoing, whether such law is statutory, regulatory, regulatory or common law;
- E. Arising out of any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended, or similar statutory or common law of the United States of America or any state or jurisdiction therein;
- F. Arising out of any employment practices liability or any discrimination on any basis, including, but not limited to: race, creed, color, religion, ethnic background, national origin, age, handicap, disability, gender, sexual orientation or pregnancy;

- G. Arising out of the same wrongful act or series of continuous, repeated or related wrongful acts, alleging the same or similar facts, alleged or contained in any claim which has been reported, or any wrongful act of which notice has been given, under any policy of which this policy is a renewal, replacement or succeeds in time;
- H. Arising out of any misappropriation of trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right;
- I. Arising out of false advertising, misrepresentation in advertising, antitrust, unfair competition, restraint of trade, unfair or deceptive business practices, including but not limited to, violations of any local, state or federal consumer protection laws;
- J. Against you that are brought by or on behalf of any federal, state or local government agency or professional or trade licensing organizations; however, this exclusion shall not apply where the claim is alleging a wrongful act in your rendering professional services to such entity;
- K. Arising out of liability you assume under any contract or agreement, including but not limited to, any contract price, cost guarantee or cost estimate being exceeded; however, this exclusion does not apply to liability you would have in the absence of such contract or agreement;
- L. Against you that is brought by or on behalf of:
  - 1) Any insured except as described in clause 4. of the definition of “you, your or insured” in Section II. DEFINITINS;
  - 2) Any business entity that is owned, managed or operated, directly or indirectly, in whole or in part, by you;
  - 3) Any parent company, subsidiary, successor or assignee of your, or anyone affiliated with you or such business entity through common majority ownership or control; or
  - 4) Any independent contractor supplying material or service to you, but, as regards such independent contractor, only with respect to claims involving disputes over the ownership or exercise of rights in material or services supplied;
- M. arising out of any wrongful act committed prior to the first inception date if, as of the first inception date, you knew or could have reasonably foreseen that such wrongful act did or would result in a claim against you;
- N. first made against you prior to, or pending as of, the first inception date, or relating to the essential facts, circumstances or situation underlying such claim;
- O. arising out of disputes involving:
  - 1) you fees or charges, including over-charges, or cost over-runs;
  - 2) collecting your fees from third parties;

- 3) the return of fees or other compensation paid to you; or
- 4) your cost of correcting or re-performing or completing any professional services;
- P. arising out of any wrongful act committed with the knowledge that it was a wrongful act;
- Q. arising out of over-redemption of coupons, awards, or prizes from advertisements, promotions, games, sweepstakes, contests, and games of chance;
- R. arising out of any wrongful act which occurred prior to the retroactive date;
- S. arising out of:
  - 1) false arrest, detention or imprisonment;
  - 2) libel, slander or defamation of character; or
  - 3) wrongful entry or eviction, or invasion of any right of privacy; or
- T. arising out of your advising, requiring, obtaining or failing to advise, require or obtain any bond, suretyship or other form of insurance.

- **E & O Insurance Policy Exclusion Coverage:** Associate-licensee (agent) represents himself (or herself) to list his (or her) own property; or to purchase his (or her) own property will not be covered by the E & O insurance policy, in the event any dispute happened or arisen. But, this exclusion does not apply to associate-licensee (agent) has taken legal title solely for immediate resale and has entered into a written contract to sell within 90 days after taking legal title. (Company will no longer charge E & O fee for the transaction agent represents himself or herself).

**Company will waive the E & O fee when Associate-licensee (Agent) lists or purchases his or her own property.**