



Pension and Benefit Plan Fiduciary Liability Policy

Policy No. _____

TWIN CITY FIRE INSURANCE COMPANY
Indianapolis, Indiana

NOTICE: THIS IS A CLAIMS-MADE AND REPORTED POLICY. EXCEPT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS LIMITED TO LIABILITY FOR WRONGFUL ACTS FOR WHICH CLAIMS ARE FIRST MADE WHILE THE POLICY IS IN FORCE AND WHICH ARE REPORTED TO THE INSURER NO LATER THAN SIXTY (60) DAYS AFTER THE TERMINATION OF THE POLICY. PLEASE READ AND REVIEW THE POLICY CAREFULLY.

EXCEPT TO THE EXTENT INDICATED IN ITEM C 2. BELOW, THE LIMIT OF LIABILITY AVAILABLE TO PAY LOSS, INCLUDING JUDGMENT OR SETTLEMENT AMOUNTS, MAY BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE AND OTHER CLAIMS EXPENSES.

THE INSURER HAS THE RIGHT AND DUTY TO DEFEND ANY CLAIM COVERED UNDER THIS POLICY.

DECLARATIONS

ITEM A Name of Sponsor Company and Address: • Agency Code, Name and Address:

ITEM B Policy Period: From 12:01 a.m. standard time at the address stated in Item A on _____ (Inception Date) to 12:01 a.m. on _____ (Expiration Date).

ITEM C LIMIT OF LIABILITY:

1. \$_____ in the aggregate each Policy Period, including Claims Expenses
2. CLAIMS EXPENSES IN ADDITION TO LIMITS: _____% of ITEM C 1. in the aggregate each Policy Period

ITEM D RETENTION: \$_____ applicable to Claims Expenses only

ITEM E INSURED PLANS:

- 1) See endorsement No. 1
- 2) See Section IV. (H)

ITEM F DISCOVERY PERIOD PREMIUM: _____% of Total Annual Premium
DISCOVERY PERIOD DURATION: (_____) months

ITEM G CONTINUITY DATE: _____

ITEM H TOTAL ANNUAL PREMIUM: \$_____

ITEM I Form numbers of endorsements attached at issuance:

This Declaration Page, together with the completed and signed Application, including all attachments and exhibits, and the attached Pension and Benefit Plan Fiduciary Liability Policy form, and all endorsements thereto, shall constitute the Policy between the Insureds and the Insurer.

Date: _____

Authorized Representative: _____

**PENSION AND BENEFIT PLAN
FIDUCIARY LIABILITY POLICY**

In consideration of, and subject to, the payment of the premium, and in reliance upon the particulars, statements, attachments and exhibits contained in and submitted with the Application which has been received by the Insurer and which shall be the basis of this contract and shall be deemed to be incorporated herein, and subject to all the terms, conditions, limitations and any endorsements to this Policy, the Insurer and the Insureds agree as follows:

I. INSURING AGREEMENT

The Insurer shall pay on behalf of the Insureds all Loss which the Insureds shall become legally obligated to pay as a result of a Claim first made against the Insureds during the Policy Period or Discovery Period, if applicable, for a Wrongful Act taking place during or prior to the Policy Period by any Insured or by any person for whose Wrongful Acts the Insured is legally responsible, provided that such Claim is reported to the Insurer as soon as practicable but in no event later than sixty (60) days after the termination of the Policy Period or Discovery Period, if applicable.

II. DEFENSE AND SETTLEMENT

- (A) The Insurer shall have the right and duty to defend any Claim covered by this Policy even if the allegations are groundless, false or fraudulent. At the Insurer's option, and with the Insurer's written consent, the Insured may select defense counsel. The Insurer's duty to defend shall cease upon exhaustion of the Insurer's applicable Limit of Liability set forth in Item C of the Declarations.
- (B) Claims Expenses incurred by the Insurer may be in addition to the Limit of Liability set forth in Item C 1. of the Declarations, but only to the extent of any amount, other than zero, set forth in Item C 2. of the Declarations. Claims Expenses in excess of the amount set forth in Item C 2. of the Declarations shall be part of and not in addition to the Insurer's applicable Limit of Liability set forth in Item C 1. of the Declarations, and the Insurer's payment of any such Claims Expenses shall reduce such applicable Limit of Liability.
- (C) The Insureds shall have the right to associate with the Insurer in the defense and settlement of any Claim. The Insureds, and any defense counsel which may be selected by the Insureds, pursuant to II. (A) above, agree to provide the Insurer with all information, assistance and cooperation which the Insurer reasonably requests and agree that in the event of a Claim the Insureds will do nothing that may prejudice the Insurer's position or its potential or actual rights of recovery.

- (D) The Insureds agree not to settle any Claim, incur any Claims Expenses or otherwise assume any contractual obligation or admit any liability with respect to any Claim without the Insurer's written consent, which shall not be unreasonably withheld. The Insurer shall not be liable for any settlement, Claims Expenses, assumed obligation or admission to which it has not consented.
- (E) The Insurer may, with the written consent of the Insured, settle a Claim for solely a monetary amount which the Insurer deems reasonable. If the Insured withholds consent to such settlement, the Insurer's liability for all Loss on account of such Claim shall not exceed the amount for which the Insurer could have settled such Claim plus Claims Expenses accrued as of the date such settlement was proposed to the Insured in writing by the Insurer.

III. EXTENSIONS OF COVERAGE

(A) DEATH, INCAPACITY OR BANKRUPTCY

Subject to the other terms and conditions of this Policy, in the event of the death, incapacity or bankruptcy of an Insured Fiduciary or the bankruptcy of the Sponsor Company, this Policy shall provide insurance for Loss as a result of a Claim made against the estate, legal representatives, heirs or the assigns of such Insured Fiduciary or Sponsor Company.

(B) SPOUSAL LIABILITY

In the event that a covered Claim made against an Insured Fiduciary includes a Claim against such Insured Fiduciary's lawful spouse solely by reason of (a) such spousal status, or (b) such spouse's ownership interest in property or assets that are sought as recovery for Wrongful Acts, any and all Loss for which such spouse becomes legally obligated to pay on account of such Claim shall be deemed Loss which such Insured Fiduciary of the spouse becomes legally obligated to pay.

In no event shall this extension of coverage apply to any claim in which there is any allegation of wrongdoing on the part of the spouse.

(C) DISCOVERY PERIOD

If the Insurer or the entity named in Item A of the Declarations fails or refuses to renew this Policy or cancels this Policy, such entity shall have the right, upon payment of the Discovery Period Premium set forth in Item F of the Declarations, to an extension of the coverage granted by this Policy for the period set forth in Item F of the Declarations following the effective date of such cancellation or non-renewal, but only with respect to any Wrongful Act taking place before the date of such cancellation or non-renewal. A written request for this extension, together

with payment of such Discovery Period Premium, must be made within thirty (30) days after the effective date of cancellation or non-renewal of the Policy. This extension shall not apply if this Policy is terminated by the Insurer for nonpayment of premium. The Discovery Period Premium shall be fully earned at inception of the Discovery Period, and such Discovery Period shall not be cancelable.

IV. **DEFINITIONS**

- (A) "Claim" shall mean:
- (1) a written demand for monetary or injunctive relief commenced by any Insured's receipt of such demand,
 - (2) a civil proceeding commenced by the service of a complaint or similar pleading,
 - (3) a formal administrative or regulatory proceeding commenced by the filing or service of a notice of charges, formal investigative order or similar document,
 - (4) a criminal proceeding commenced by the return of an indictment, or
 - (5) a fact finding investigation by the Department of Labor, the Pension Benefit Guaranty Corporation, or similar governmental agency anywhere in the world.
- (B) "Claims Expenses" shall mean that portion of Loss consisting of reasonable and necessary costs, charges, fees (including attorneys' fees and experts' fees) and expenses incurred in the defense of a Claim and the premium for appeal, attachment or similar bonds, but with no obligation to apply for or furnish such bond. Claims Expense shall not include the wages, salaries or expenses of any directors, officers or employees of any Insured.
- (C) "Discovery Period" shall mean the period set forth in Item F of the Declarations.
- (D) "Employee Stock Ownership Plan" shall mean any plan created or acquired to invest primarily in employer securities or a plan that invests more than 10% of plan assets in employer securities.
- (E) "Executive Officer" shall mean any Insured Fiduciary who is a director, trustee or the president, chief executive officer, chief operating officer, chief financial officer or executive vice president of the Sponsor Company.
- (F) "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

(G) "Insured Fiduciary", either in the singular or plural, shall mean:

- (1) one or more natural persons who were, now are or shall hereafter be a director, officer, partner, trustee or employee of the Sponsor Company or of any Insured Plan;
- (2) any other natural persons who were, now are or shall hereafter be a fiduciary of an Insured Plan and included by specific written endorsement attached to this Policy, provided further that such fiduciary is sued solely in his or her capacity as a fiduciary of an Insured Plan.

(H) "Insured Plan", either in the singular or plural, shall mean:

- (1) any government-mandated insurance program for unemployment, social security or disability benefits for employees of the Sponsor Company, except for workers' compensation;
- (2) any welfare benefit plan as defined in ERISA or any similar common or statutory law of the United States or other jurisdiction anywhere in the world, which is sponsored solely by the Sponsor Company or jointly by the Sponsor Company and a labor organization solely for the benefit of the employees of the Sponsor Company located anywhere in the world and which (i) existed on the Inception Date of this Policy or of any Policy of which this Policy is a renewal, or (ii) is created or acquired after the Inception Date of this Policy, subject to Section VIII.(G)(l) of this Policy;
- (3) any non-qualified plan not subject to regulation under Title I of ERISA or which does not meet the qualification requirements under Section 401(a) of the Internal Revenue Code of 1986, as amended, but only for Wrongful Acts defined in Section IV.(P)(2); and
- (4) any plan, fund or program specifically listed by endorsement to this Policy as an additional Insured under this Policy;

provided however, Insured Plan shall not include any multi-employer plan, as defined in ERISA.

(I) "Insured(s)", either in the singular or plural, shall mean one or more:

- (1) Insured Fiduciary,
- (2) Sponsor Company, or
- (3) Insured Plan.

- (J) "Interrelated Wrongful Acts" shall mean Wrongful Acts that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes.
- (K) "Loss" shall mean sums which the Insureds are legally obligated to pay solely as a result of any covered Claim, including Claims Expenses, compensatory damages, settlement amounts and legal fees and costs awarded pursuant to judgments, but excluding fines, penalties, taxes, punitive or exemplary damages, the multiple portion of any multiplied damage award or matters uninsurable pursuant to any applicable law, except that "Loss" shall include the five (5) percent or less and the twenty (20) percent or less penalties imposed upon an Insured Fiduciary under Section 502(i) and Section 502(l) of ERISA, as amended, with respect to covered settlements or judgments.
- (L) "Personal Injury" shall mean false arrest, detention or imprisonment, or malicious prosecution; the publication or utterance of a libel or slander or of other defamatory or disparaging material; a publication or utterance in violation of an individual's right of privacy; wrongful entry or eviction; or the invasion of the right of private occupancy.
- (M) "Policy Period" shall mean the period set forth in Item B of the Declarations or any shorter period that may occur as a result of a cancellation of this Policy.
- (N) "Sponsor Company" shall mean any entity named in Item A of the Declarations and any Subsidiary.
- (O) "Subsidiary" shall mean any past, present or future corporation of which the Sponsor Company owns more than 50% of the issued and outstanding voting stock either directly or indirectly through one or more of its Subsidiaries, but only with respect to a Wrongful Act taking place at a time when the Subsidiary was so owned by the Sponsor Company. The term Subsidiary shall automatically apply to any new Subsidiary acquired or created during the Policy Period, subject to Section VIII.(G)(1).
- (P) "Wrongful Act" shall mean:
- (1) any actual or alleged breach of the responsibilities, obligations or duties imposed upon fiduciaries of any Insured Plan by ERISA or any similar law of any state or other jurisdiction anywhere in the world;
 - (2) any actual or alleged negligent act, error or omission in handling records, counseling employees, effecting enrollment of employees, and termination or cancellation of benefits in connection with an Insured Plan; or
 - (3) any other matter claimed against any Sponsor Company or any Insured Fiduciary solely by reason of their serving as fiduciaries of an Insured Plan.

V. EXCLUSIONS

The Insurer shall not be liable to make any payment for Loss in connection with any Claim made against the Insureds:

- (A) for Personal Injury, bodily injury, sickness, disease, emotional distress, mental anguish, outrage, humiliation or death of any person, or damage to or destruction of any tangible property including loss of use thereof;
- (B) for any Wrongful Act by any Insured with respect to any Insured Plan (i) sponsored by a Subsidiary if such Wrongful Act actually or allegedly occurred at any time when such entity was not a Subsidiary, or (ii) when such Insured Plan was not sponsored by a Sponsor Company;
- (C) for, based upon, arising from, or in any way related to any Claim, Wrongful Act, or circumstance if notice thereof has been given under any fiduciary liability policy, the term of which incepted prior to the Inception Date of this Policy;
- (D) for, based upon, arising from, or in any way related to liability of others assumed by the Insured under any oral or written contract or agreement, except to the extent that the Insured would have been liable in the absence of the contract or agreement or unless the liability was assumed in accordance with or under the agreement or declaration of trust pursuant to which the Insured Plan was established;
- (E) for, based upon, arising from, or in any way related to the failure of the Insured to comply with any law governing workers' compensation;
- (F) for, based upon, arising from, or in any way related to:
 - (i) the actual, alleged or threatened discharge, dispersal, release or escape of pollutants; or
 - (ii) any direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, nuclear material or nuclear waste;

Pollutants include, but are not limited to, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, odors, noise, lead, oil or oil products, radiation, asbestos or asbestos-containing products and waste, and any electric, magnetic or electromagnetic field of any frequency. Waste includes, but is not limited to, material to be recycled, reconditioned or reclaimed;

- (G) for, based upon, arising from, or in any way related to an Insured serving as a fiduciary of any plan, fund or program which is not an Insured Plan, even if such service is at the direction or request of the Sponsor Company;
- (H) for, based upon, arising from, or in any way related to any demand, suit or other proceeding against any Insured which was pending on or existed prior to the continuity date specified in Item G of the Declarations, or the same or substantially similar facts, circumstances or allegations which are the subject of or the basis for such demand, suit or other proceeding;
- (I) for, based upon, arising from, or in any way related to the Insureds gaining in fact any personal profit, remuneration or advantage to which they were not legally entitled;
- (J) for, based upon, arising from, or in any way related to the committing in fact of any criminal, deliberately dishonest, malicious or fraudulent act or omission or any willful violation of law, except that this exclusion shall not apply to any Sponsor Company or Insured Plan unless such act, omission or willful violation in fact was committed by an Executive Officer;
- (K) for, based upon, arising from, or in any way related to the failure to fund an Insured Plan in accordance with ERISA or the Insured Plan's document or to collect contributions owed to an Insured Plan; or
- (L) for benefits due or to become due under the terms of an Insured Plan unless, and to the extent that, (1) the Insured is a natural person and the benefits are payable by such Insured as a personal obligation, and (2) recovery for the benefits is based upon a covered Wrongful Act.

With respect to a Claim which alleges those excluded matters identified in Exclusions (K) and (L) only, the Insurer will pay Claims Expenses.

The Wrongful Act of any Insured Fiduciary shall not be imputed to any other Insured Fiduciary for purposes of applying the exclusions set forth in this Section V.

VI. LIMITS OF LIABILITY AND RETENTION

- (A) The Insurer's aggregate Limit of Liability for all Loss covered under this Policy shall be the amount shown under Item C 1. of the Declarations plus any amount set forth in Item C 2. of the Declarations, provided that the additional amount set forth in Item C 2. shall be available for Claims Expenses only. The Limit of Liability in the Discovery Period shall be a part of, and not in addition to, such Limit of Liability.

- (B) The Retention amount shall be applicable to each and every Claim, but only as respects Claims Expenses.
- (C) The Sponsor Company shall be responsible to pay the Retention amount in connection with any Claim covered under this Policy. Under no circumstances will any Insured Fiduciary be liable to pay the Retention.
- (D) All Claims arising out of the same Wrongful Act or Interrelated Wrongful Acts of one or more of the Insureds shall be considered a single Claim. Such Claims shall be deemed to be first made when the first such Claim is made, or deemed to be made pursuant to Section VII.(A) of this Policy.
- (E) The Limit of Liability available to pay judgments or settlements shall be reduced by Claims Expenses, except as provided for under Section II.(B).

VII. NOTICE

- (A) If during the Policy Period or Discovery Period, if applicable, the Insureds become aware of a specific Wrongful Act that may reasonably be expected to give rise to a Claim against any Insured, and if such Wrongful Act is reported to the Insurer during the Policy Period or Discovery Period, if applicable, in writing with particulars as to the reasons for anticipating such a Claim, the nature and dates of the alleged Wrongful Act, the alleged injuries or damages sustained, the names of potential claimants, any Insured involved in the alleged Wrongful Act and the manner in which the Insureds first became aware of the specific Wrongful Act, then any Claim subsequently arising from such specific Wrongful Act duly reported in accordance with this paragraph shall be deemed under this Policy to be a Claim made during the Policy Period or Discovery Period in which the Wrongful Act is first reported to the Insurer.
- (B) Notice of any Claim or specific Wrongful Act shall be given in writing, with reference to the Policy Number indicated in the Declarations, to THE HARTFORD, HARTFORD PLAZA, HARTFORD, CT. 06115, ATTENTION: FIDUCIARY LIABILITY CLAIMS UNIT, (Facsimile No.: (212) 277-0945 or 277-0950). All other notices under this Policy shall be given to the same addressee but to the attention of Financial Products Underwriters.
- (C) All notices under this Policy shall be in writing and given by mail, prepaid express courier or electronic service properly addressed and shall be effective upon receipt.

VIII. GENERAL CONDITIONS

- (A) CANCELLATION OF POLICY

The Insurer may cancel this Policy for non-payment of premium by sending not less than 10 days notice of such cancellation to the Sponsor Company at its last known address. The Insurer may not otherwise cancel this Policy. The Sponsor Company may cancel this Policy by sending contemporaneous notice to the Insurer, except that the Sponsor Company may not cancel this policy in the event of an acquisition as described in VIII. (G)(2) of this Policy. In the event the Sponsor Company cancels this Policy, the Insurer shall retain the customary short rate premium. Payment of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

(B) SUBROGATION

In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to all rights of recovery. The Insureds shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights including the execution of such documents necessary to enable the Insurer effectively to bring suit in the name of the Insureds.

The Insurer shall have all rights of recourse permitted by law. In the event, however, this Policy has been purchased by an Insured other than an Insured Plan, the Insurer shall have no right of recourse against an Insured Fiduciary.

(C) COMPANY AUTHORIZATION

By acceptance of this Policy, the entity named in Item A of the Declarations agrees to act on behalf of all Insureds with respect to the giving and receiving of notice of Claim or cancellation, the payment of premiums and the receiving of any return premium, the negotiation, agreement to and acceptance of any endorsements issued to form part of this Policy, and the exercising of the Discovery Period option; and the Insureds agree that the entity named in Item A of the Declarations shall act on their behalf.

(D) OTHER INSURANCE

If any Loss arising from any Claim is insured by another valid Policy or Policies, then this Policy shall apply only in excess of the amount of any deductibles, retentions and limits of liability under such other Policy or Policies, whether such other Policy or Policies are stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other Policy to the Policy Number indicated on this Policy's Declarations.

(E) ALTERATION AND ASSIGNMENT

No change in, modification of, or assignment of interest under this Policy shall be effective except when made by written endorsement signed by an authorized representative of the Insurer.

(F) ACTION AGAINST INSURER

No action shall be taken against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, and the amount of the Insureds' obligation to pay shall have been finally determined either by judgment against the Insureds after actual trial, or by written agreement of the Insureds, the claimant and the Insurer.

No person or organization shall have the right under this Policy to join the Insurer as a party to any action against the Insureds to determine the Insureds' liability, nor shall the Insurer be impleaded by the Insureds or their legal representative. Bankruptcy or insolvency of an Insured or of an Insured's estate shall not relieve the Insurer of any of its obligations hereunder.

(G) CHANGES IN EXPOSURE

(1) Automatic Extension of Coverage: Acquisition or Creation of a Subsidiary or Insured Plan

(a) If during the Policy Period the Sponsor Company creates or acquires a Subsidiary or Insured Plan or otherwise becomes a fiduciary of or responsible for the administration of any Insured Plan (herein "The Event"), and if the plan assets of such created or acquired Insured Plan(s) in the aggregate do not exceed 10% of the total plan assets as of the Inception Date of this Policy for the Insured Plan(s) referenced in Item E 1) of the Declarations, then coverage hereunder shall extend automatically to such created or acquired Insured Plan(s).

(b) In the case of any newly created or acquired Insured Plan(s) which does not qualify for automatic coverage under (G)(1)(a), above, coverage shall be afforded on condition that the Sponsor Company give written notice to the Insurer of The Event as soon as practicable prior to the end of the Policy Period, together with such information as the Insurer may require and shall agree to any reasonable additional premium or amendment of the terms and

conditions of the Policy with respect to such new plan(s) as may be required by the Insurer.

Under (G)(1)(a) and (G)(1)(b), above, coverage shall be afforded, subject to the terms and conditions of this Policy, from the date of The Event for such Subsidiary, Insured Plan, and any Insured Fiduciaries of such Insured Plan, but only for Wrongful Acts taking place after the date of The Event, unless the Insurer agrees by endorsement to provide coverage for Wrongful Acts taking place prior to such date. Any such coverage shall be specifically excess of any other insurance available to such Insured Plan, Insured Fiduciaries or Sponsor Company.

Notwithstanding the foregoing, no coverage shall be afforded pursuant to this Section VIII.(G)(1) or otherwise under this Policy with respect to any Employee Stock Ownership Plan or any Insured Fiduciaries or Sponsor Company thereof unless the Insurer, by specific endorsement to this Policy, agrees to afford such coverage. Any such coverage shall be at the terms and conditions and for the premium set forth in such endorsement.

(2) Acquisition by Another Entity

If during the Policy Period (i) the Sponsor Company merges into or consolidates with another organization, or (ii) another organization or person or group of organizations and/or persons acting in concert acquires more than 50% of the issued and outstanding voting stock of the Sponsor Company, coverage under this Policy for such Sponsor Company, Insured Plan and each Insured Fiduciary thereof who were Insureds prior to such acquisition, merger or consolidation shall continue until the Expiration Date of this Policy, but only with respect to Claims for Wrongful Acts taking place prior to such merger, consolidation or acquisition.

The Sponsor Company shall give written notice to the Insurer of such merger, consolidation, or acquisition as soon as practicable together with such information as the Insurer may require.

(3) Terminated Plans

If during the Policy Period the Sponsor Company terminates any Insured Plan, coverage under this Policy shall apply solely with respect to Wrongful Acts that occurred prior to the date of asset distribution on condition that the Sponsor Company give written notice to the Insurer of such termination as soon as practicable and before the end of the Policy Period.

(H) REPRESENTATIONS AND SEVERABILITY

The Insureds represent that the particulars and statements contained in the Application are true and agree that those particulars and statements are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy.

The Insureds agree that the statements made in the Application are the representations of the Insureds and that they shall be deemed material to the acceptance of the risk or the hazard assumed by the Insurer under this Policy and that this Policy is issued in reliance upon the truth of such representations.

With respect to such particulars and statements, no statements made or knowledge possessed by any Insured Fiduciary (other than knowledge or information possessed by the Insured Fiduciary actually executing the application or request) shall be imputed to any other Insured Fiduciary to determine whether coverage is available for any Claim made against such other Insured Fiduciary.

SPECIMEN