

**EXCESS SML
SEXUAL MISCONDUCT AND MOLESTATION LIABILITY INSURANCE**

In consideration of the payment of the premium, in reliance on all statements made in the **Application**, and subject to all of the provisions of this Policy, Underwriters and the **Named Insured**, on behalf of all **Insureds**, agree as follows:

I. INSURING CLAUSE

Underwriters shall pay on behalf of the **Insureds** all **Loss** resulting from any **Claim** first made against any **Insured** during the **Policy Period** or **Optional Extension Period**, if applicable, and reported in writing to the Underwriters in accordance with Clause VIII.A. for a **Wrongful Act**.

II. DEFINITIONS

The following terms whenever used in this Policy in boldface type shall have the meanings indicated.

- A. **“Application”** means all applications, including all attachments and other materials submitted therewith or incorporated therein, and any other documents or information submitted in connection with the underwriting of this Policy, including any endorsement or other part thereof, or any other sexual misconduct and molestation liability policies issued by the Underwriters of which this Policy is a renewal, replacement or which it succeeds in time.
- B. **“Change of Control”** means:
1. the acquisition by any person or entity of more than 50% of the outstanding securities or equity interest of the **Named Insured** representing the present right to vote for the election of directors or **Managers**; or
 2. the merger of the **Named Insured** into another entity such that the **Named Insured** is not the surviving entity.
- C. **“Circumstance”** means a **Wrongful Act** or a reasonable suspicion thereof that has not yet given rise to a **Claim**.
- D. **“Claim”** means:
1. a written demand or request for monetary damages against any of the **Insureds**; or
 2. a civil or administrative proceeding initiated against any of the **Insureds**.
- However, **Claim** does not include any criminal, investigative or regulatory proceeding.
- E. **“Defense Costs”** means reasonable and necessary fees and expenses, including legal fees and expenses, to which Underwriters consent in advance and which are incurred by or on behalf of the **Insureds** in defending, settling, appealing or

investigating any **Claim** and the cost of appeal, supersedeas, attachment or similar bonds (provided, however, Underwriters shall have no obligation to apply for or furnish any bond for appeal, supersedeas, attachment or any similar purpose), but shall not include salaries, regular or overtime wages, fees or benefit expenses associated with **Employees** or the **Insured Organization's** overhead expenses.

- F. **"Employee"** means all persons whose labor or service is currently or has formerly been engaged by and directed by the **Insured Organization**. This includes employees, volunteers, part time, seasonal, leased and temporary employees as well as any individual employed in a supervisory or managerial position and **Independent Contractors**. Substitute teachers, student teachers, coaches, counselors and clergy are also **Employees** while performing activities on the **Insured Organization's** behalf that the **Insured Organization** has authorized and/or sponsored. **Employee** does not include employees who are leased to another employer.
- G. **"Executive Officer"** means any member of the management committee, chairperson, chief executive officer, chief operating officer, president, **Manager**, chief financial officer, risk manager, human resources staff or an individual acting in a similar capacity with the **Insured Organization**.
- H. **"Independent Contractor"** means any natural person independent contractor who performs labor or service for the **Insured Organization** on a full-time basis pursuant to a written contract or agreement, where such labor or service is under the exclusive direction of the **Insured Organization**. The status of an individual as an **Independent Contractor** shall be determined as of the date of an alleged **Wrongful Act**.
- I. **"Insured Organization"** means the **Named Insured** and its **Subsidiaries**, including any such organization as a debtor in possession within the meaning of the United States Bankruptcy Code or similar legal status under foreign law.
- J. **"Insured Person"** means any person who was, now is, or shall be an **Employee** or duly elected or appointed directors, officers, trustees or **Managers** of the **Insured Organization** including all persons outside the United States serving in a functionally equivalent role for the **Insured Organization** including their estates, heirs, legal representatives or assigns in the event of their death, incapacity or bankruptcy.
- K. **"Insureds"** means the **Insured Persons** and the **Insured Organization**.
- L. **"Interrelated Wrongful Acts"** means any and all **Wrongful Acts** against any one **Victim** which have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally or logically connected facts, circumstances, situations, events, transactions or causes.
- M. **"Loss"** means compensatory damages, judgments (including pre-judgment and post-judgment interest awarded against an **Insured** on that part of any judgment paid by Underwriters), settlements, statutory attorney fees and **Defense Costs**.

However, **Loss** shall not include any of the following:

1. civil or criminal fines or penalties, sanctions, or other matters that may be deemed uninsurable according to the law under which this Policy is construed;

2. the multiple portion of multiplied damages, punitive or exemplary damages;
or
 3. any amounts incurred in defense of any **Claim** for which any other insurer has a duty to defend.
- N. **“Managers”** means all persons who were, now are, or shall be managers, managing members, members of the board of managers, managing partners, general partners of a limited partnership (including the board of directors of any such general partner that is a corporation) or equivalent executives of any **Insured Organization**.
- O. **“Named Insured”** means the entity designated in Item 1. of the Declarations.
- P. **“Optional Extension Period”** means the period described in Clause XI. of this Policy.
- Q. **“Policy Period”** means the period from the effective date and hour of this Policy to the Policy expiration date and hour as set forth in Item 2. of the Declarations, or its earlier termination, if any.
- R. **“Sexual Misconduct and Molestation”** means any actual or alleged abuse, molestation, mistreatment or maltreatment of a sexual nature, including, but not limited to, any sexual involvement, sexual conduct or sexual contact, regardless of consent.
- S. **“Subsidiary”** means:
1. any entity, while more than 50% of the outstanding voting securities representing the present right to vote for the election of such entity's directors are owned by the **Named Insured** directly or indirectly;
 2. any limited liability corporation while the right to elect or otherwise appoint or designate more than 50% of such limited liability corporation's **Managers** is owned or controlled by the **Named Insured** directly or indirectly; or
 3. any joint venture, which is a corporate entity, while the **Named Insured** has managerial control, or while the right to elect or otherwise appoint more than 50% of such entity's directors, trustees or other equivalent executive is owned or controlled by the **Named Insured** directly or indirectly
- if such entity or corporation was so owned or controlled as of or prior to the inception date of this Policy.
- T. **“Victim”** means any individual who alleges that he or she is the object of an act of **Sexual Misconduct and Molestation**.

U. **“Wrongful Act”** means:

1. any act of **Sexual Misconduct and Molestation**; or
2. negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of **Sexual Misconduct and Molestation**

by any of the **Insureds** whilst performing duties in relation to the **Insured Organization's** business against any one **Victim**.

III. EXCLUSIONS

The Underwriters shall not be liable to make any payment for **Loss** in connection with or resulting from:

- A. any **Claim** by, on behalf of, or at the direction of any **Insured**;
- B. any **Claim** or **Circumstance** based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any employment-related practice, policy, act or omission, even if an act of **Sexual Misconduct and Molestation** is involved;

any **Claim** against any of the **Insured Persons** who personally committed, participated in, or assisted in any act of **Sexual Misconduct and Molestation**; provided, however, that this exclusion shall not apply to any **Defense Costs** incurred by such **Insured Person** until such time as:

1. such **Insured Person** is judicially determined to have committed, participated in or assisted in such act of **Sexual Misconduct and Molestation**; or
 2. such **Insured Person** admits in any context to having committed, participated in or assisted in such act of **Sexual Misconduct and Molestation**;
- C. any **Claim** or **Circumstance** if, prior to the date of the **Wrongful Act** giving rise to such **Claim** or **Circumstance**, any of **Insureds** were aware of any allegation or complaint of any act of **Sexual Misconduct and Molestation** being made against the same **Insured Person** as accused in such **Claim** or **Circumstance**;
- E. any **Claim** or **Circumstance** based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
1. any demand, suit, or other proceeding pending, or order, decree or judgment entered, against any **Insured** on or prior to the Pending or Prior Litigation Date set forth in Item 10. of the Declarations, or any **Wrongful Act**, fact, circumstance or situation underlying or alleged therein;
 2. any **Wrongful Act** or any fact, circumstance, transaction or situation which has been the subject of any notice of a **Claim** or **Circumstance** given prior to the **Policy Period** under any other policy; or

3. any other **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** which has been the subject of such notice, would constitute **Interrelated Wrongful Acts**;
- F. any **Claim** or **Circumstance** based upon, arising out of, directly or indirectly in connection with, related to, or in any way involving the liability of others assumed by an **Insured** under any contract or agreement, oral or written, except to the extent that the **Insured** would have been liable in the absence of such contract or agreement;
- G. any **Claim** or **Circumstance** against any of the **Insured Persons** of any **Subsidiary** or such **Subsidiary** based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
1. any **Wrongful Act** occurring prior to the date such entity became a **Subsidiary** or subsequent to the date such entity ceased to be a **Subsidiary**; or
 2. any **Wrongful Act** occurring while such entity was a **Subsidiary** which, together with a **Wrongful Act** occurring prior to the date such entity became a **Subsidiary**, would constitute **Interrelated Wrongful Acts**; or
- H. any **Claim** or **Circumstance** based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
1. any act of **Sexual Misconduct or Molestation** actually or allegedly committed prior to the Retroactive Date set forth in Item 9. of the Declarations, or
 2. any other **Wrongful Act** committed on or subsequent to the Retroactive Date set forth in Item 9. of the Declarations which, together with an act of **Sexual Misconduct or Molestation** committed prior to such date, would constitute **Interrelated Wrongful Acts**.

IV. LIMITS OF LIABILITY

A. Limit(s) of Liability

The amount shown at Item 3.a) in the Declarations is the most Underwriters will pay for **Loss** resulting from all **Claims** first made during the **Policy Period** for **Wrongful Acts** against any one **Victim**, regardless of the number of acts of **Sexual Misconduct and Molestation** against any one **Victim**, the number of individuals participating in acts of **Sexual Misconduct and Molestation** against any one **Victim** and the number of **Claims**.

The amount shown at Item 3.b) in the Declarations is the most Underwriters will pay for the combined total of all **Claims** first made during the **Policy Period** for **Loss** that results from all **Wrongful Acts** against all **Victims**.

- B. The payment of **Defense Costs** by Underwriters reduces and may totally exhaust the Limit of Liability.
- C. More than one **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed to constitute a single **Claim** and shall be deemed to have been made at the earliest of the following times:
 - 1. the time at which the earliest **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** is first made; or
 - 2. the time at which the **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed to have been made pursuant to Clause VIII.B.
- D. If the aggregate Limit of Liability is exhausted, Underwriters' obligations under this Policy shall be completely fulfilled and extinguished.

V. ATTACHMENT OF LIABILITY

Underwriters shall only be liable for **Loss** under this Policy after the Underlying Limit(s) of Liability set forth in Item 4.a) of the Declarations have been exhausted through payments by the Underlying Insurer(s) of covered loss under the Underlying Insurance. The risk of uncollectibility of any Underlying Insurance (in whole or in part), whether because of financial impairment or insolvency of an Underlying Insurer or for any other reason, is expressly retained by the **Insureds** and is not insured by or assumed by the Underwriters.

In the event the Underlying Limit(s) of Liability set forth in Item 4.a) of the Declarations has been fully exhausted, then Underwriters shall be liable for only that part of **Loss** arising from any subsequent **Claim** for a **Wrongful Act** against any one **Victim** which is excess of the Maintenance Retention set forth in Item 5. of the Declarations, and such Maintenance Retention shall be borne by the **Insureds** uninsured and at their own risk. Any payments made to satisfy the retention or deductible under another policy of insurance shall not satisfy or apply towards the Maintenance Retention, or any portion thereof, under this Policy.

I. SETTLEMENT AND DEFENSE

- A. Underwriters shall have the right and duty to defend any **Claim**, including the right to select defense counsel, even if any of the allegations are groundless, false or fraudulent; provided, however, that Underwriters shall not be obligated to defend or to continue to defend any **Claim** after the Limit of Liability set forth in Item 3. of the Declarations has been exhausted.
- B. The **Insureds** shall cooperate with Underwriters and, upon Underwriters' request, assist in the investigation, settlement and defense of **Claims** and in enforcing rights of contribution or indemnity against any person or entity which may be liable to the **Insureds**, shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.
- C. The **Insureds** shall not settle any **Claim**, incur any **Defense Costs**, admit or assume any liability, stipulate to any judgment or otherwise assume any contractual obligation without Underwriters' prior written consent, which shall not be unreasonably withheld. Underwriters shall not be liable for any settlement, **Defense Costs**, assumed obligation, admission or stipulated judgment to which it has not

consented or for which the **Insureds** are not legally obligated as a result of a **Claim** for a **Wrongful Act**.

- D. Underwriters may, with the consent of the **Insureds**, settle or compromise any **Claim** as they deem expedient. If the **Insureds** withhold consent to a settlement or compromise acceptable to the claimant and Underwriters, then Underwriters' liability for such **Claim** shall not exceed the amount for which the **Claim** could have settled or compromised and the **Defense Costs** incurred as of the date such settlement or compromise was proposed to the **Insureds** or the applicable limit of liability whichever is less.

VII. ADJUSTMENT

This Policy is issued and the premium computed on the basis of the information submitted to Underwriters as part of the **Application**. In the event the **Named Insured**, after the inception date of this Policy:

- A. merges with another entity such that the **Named Insured** is the surviving entity, or
- B. acquires assets of another entity or acquires a **Subsidiary** whose employees exceed 10% of the total number of employees of the **Insured Organization** at the time of acquisition,

coverage shall be afforded for a period of sixty (60) days for any **Loss** in any way involving the assets acquired or the assets, liabilities, directors, officers or employees of the entity acquired or merged with, or such **Subsidiary**, provided all employees of the entity acquired or merged with or such **Subsidiary** have successfully completed both a criminal background and abuse registry check prior to the time of such merger or acquisition. Coverage beyond such sixty (60) day period shall only be available if written notice of such transaction or event is given to Underwriters by the **Named Insured**; the **Named Insured** provides Underwriters with such information in connection therewith as Underwriters may deem necessary; the **Insureds** accept any special terms, conditions, exclusions or additional premium charge as may be required by Underwriters; and Underwriters, at their sole discretion, agree to provide such coverage.

VIII. NOTIFICATION

- A. In the event any **Executive Officer** becomes aware that a **Claim** has been made against any of the **Insureds**, the **Insureds** shall, as a condition precedent to their rights to payment under this Policy, give to Underwriters notice in writing of such **Claim** as soon as practicable but in no event later than thirty (30) days after the date the **Claim** is first made against such **Insureds**.
- B. If during the **Policy Period**, the **Insureds** first become aware of a **Circumstance** and if the **Insureds** during the **Policy Period**, give written notice to Underwriters of:
1. the **Circumstance**;
 2. the consequences which have resulted or may result from such **Circumstance**; and
 3. details of how the **Insureds** first became aware of such **Circumstance**,

then any **Claim** made subsequently arising out of such **Circumstance** shall be deemed for the purposes of this Policy to have been made at the time such notice was first given.

Underwriters shall have no obligation to cover any amounts, including any legal fees or expenses, incurred prior to the time such **Circumstance** results in a **Claim**.

- C. Notice to Underwriters provided for in Clause VIII.A. and B. shall be given to the firm shown in Item 8. of the Declarations. All notices under any provision of this Policy must be made in writing. Notices given as described above shall be deemed to be received and effective upon actual receipt thereof by the addressee.

IX. GENERAL CONDITIONS

A. Representations.

By acceptance of this Policy, the **Insureds** agree:

1. that the statements in the **Application** are their representations, and that this Policy is issued in reliance upon the truth of such representations; and
2. that in the event that the **Application** contains misrepresentations made with the actual intent to deceive, or contains misrepresentations which materially affect either the acceptance of the risk or the hazard assumed by Underwriters under this Policy, this Policy shall not afford any coverage with respect to:
 - (i) those **Insureds** who made or had knowledge of such misrepresentations; and
 - (ii) all **Insureds** if the individual(s) who executed the **Application** made or had knowledge of such misrepresentations.

Except as provided for in paragraph 2.(ii) above, no knowledge possessed by any **Insured** shall be imputed to any other **Insured**.

None of the foregoing provisions in Clause IX.A. shall in any other way limit or void Underwriters' rights to rescind this Policy.

B. Run-Off

1. In the event any entity ceases to be a **Subsidiary** as defined herein after the inception date of this Policy, or of any policy issued by Underwriters of which this Policy is a renewal or replacement, this Policy, subject to its terms including without limitation Exclusion G. above, shall continue to apply to any of the **Insured Persons** who were covered under this Policy because of their service with such entity and to such **Subsidiary**.
2. In the event of a **Change of Control** after the inception date of this Policy or of any policy issued by Underwriters of which this Policy is a renewal or replacement, this Policy, subject to its terms, shall continue to apply to the **Insureds** but only with respect to any **Wrongful Act** committed or allegedly committed prior to the **Change of Control**.

C. Cancellation/Nonrenewal

1. By acceptance of this Policy, the **Insureds** hereby confer the exclusive power and authority to cancel this Policy on their behalf to the **Named Insured**. Such entity may cancel this Policy by surrender thereof to Underwriters, or by mailing to Underwriters written notice stating when thereafter such cancellation shall be effective. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice shall be equivalent to mailing.
2. Underwriters may cancel this Policy only for nonpayment of premium by mailing to the **Named Insured** written notice stating when, not less than ten (10) days thereafter, such cancellation shall be effective. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice by Underwriters shall be equivalent to mailing.
3. If this Policy is cancelled pursuant to 1. hereinabove, Underwriters shall retain the customary short rate proportion of the premium hereon; provided no **Claims** and/or **Circumstances** have been reported to Underwriters. In the event any **Claims** and/or **Circumstances** have been reported to Underwriters, the premium shall be deemed fully earned. If this Policy is cancelled pursuant to 2. hereinabove, Underwriters shall retain the pro rata proportion of the premium hereon. Payment or tender of any unearned premium by Underwriters shall not be a condition precedent to the effectiveness of cancellation.
4. Underwriters may nonrenew this Policy by mailing to the **Named Insured** written notice of nonrenewal not less than sixty (60) days before the end of the **Policy Period**. The mailing of such notice shall be sufficient notice. Delivery of such written notice by Underwriters shall be equivalent to mailing.

X. **OTHER INSURANCE**

This Policy shall apply in excess of any other existing valid and collectible policy and any self-insured retention or deductible portion thereof, including, but not limited to, the Underlying Insurance(s) set forth in Item 4. of the Declarations, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy is written only as specific excess insurance over the Limits of Liability of this Policy.

In no event shall this Policy be subject to the terms and conditions of such other policy, including, but not limited to, the Underlying Insurance(s) set forth in Item 4. of the Declarations.

XI. **OPTIONAL EXTENSION PERIOD**

- A. If this Policy is cancelled by the **Named Insured** or if Underwriters nonrenew this Policy, then the **Named Insured** shall have the right, upon payment of an additional premium calculated at that percentage shown in Item 7.a. of the Declarations of the total annual premium for this Policy, to an extension of the coverage granted by this Policy with respect to any **Claim** first made during the period of time set forth in Item

7.b. of the Declarations after the end of the **Policy Period**, but only with respect to any **Wrongful Act** committed before the effective date of cancellation or nonrenewal.

- B. As a condition precedent to the right to purchase the **Optional Extension Period**, the total premium for this Policy must have been paid. The right to purchase the **Optional Extension Period** shall terminate unless written notice together with full payment of the premium for the **Optional Extension Period** is given to Underwriters within thirty (30) days after the effective date of cancellation or nonrenewal. If such notice and premium payment is not so given to Underwriters, there shall be no right to purchase the **Optional Extension Period**.
- C. In the event of the purchase of the **Optional Extension Period**, the entire premium for the **Optional Extension Period** shall be deemed earned at its commencement.
- D. The exercise of the **Optional Extension Period** shall not in any way increase the Limit of Liability of Underwriters.
- E. The offer of renewal terms, conditions or premiums different from those in effect prior to renewal shall not constitute a refusal to renew for purposes of this Clause XI.

XII. ASSISTANCE, COOPERATION AND SUBROGATION

The **Insureds** agree to provide Underwriters with such information, assistance and cooperation as Underwriters or their counsel may reasonably request, and they further agree that they shall not take any action which in any way increases Underwriters' exposure under this Policy.

In the event of any payment under this Policy, Underwriters shall be subrogated to the **Insureds'** rights of recovery against any person or entity. 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 as are necessary to enable Underwriters effectively to bring suit in their name, and shall provide all other assistance and cooperation which Underwriters may reasonably require.

XIII. ACTION AGAINST UNDERWRITERS

No action shall lie against Underwriters unless, as a condition precedent thereto, the **Insureds** shall have fully complied with all of the terms of this Policy, and the amount of the **Insureds'** obligation to pay shall have been fully and finally determined either by judgment against them or by written agreement between them, the claimant and Underwriters. Nothing contained herein shall give any person or organization any right to join Underwriters as a party to any **Claim** against the **Insureds** to determine their liability, nor shall Underwriters be impleaded by the **Insureds** or their legal representative in any **Claim**.

XIV. ENTIRE AGREEMENT

By acceptance of this Policy, the **Insureds** agree that this Policy embodies all agreements existing between them and Underwriters or any of their agents relating to this insurance. Notice to any agent or knowledge possessed by any agent or other person acting on behalf of Underwriters shall not effect a waiver or a change in any part of this Policy or estop Underwriters from asserting any right under the terms of this Policy, nor shall the terms be waived or changed except by written endorsement or rider issued by Underwriters to form a part of this Policy.

XV. TERRITORY

This Policy shall apply to **Claims** made against the **Insureds** anywhere in the world.

XVI. VALUATION AND CURRENCY

All premiums, limits, **Loss** and other amounts under this Policy are expressed and payable in the currency of the United States. If judgment is rendered, settlement is denominated or another element of **Loss** under this Policy is stated in a currency other than United States dollars, payment under this Policy shall be made in United States dollars at the rate of exchange published in the *Wall Street Journal* on the date the judgment becomes final or payment of the settlement or other element of **Loss** is due.

XVII. BANKRUPTCY

Bankruptcy or insolvency of the **Insureds** shall not relieve Underwriters of their obligations nor deprive Underwriters of their rights or defenses under this Policy.

XVIII. AUTHORIZATION

By acceptance of this Policy, the **Named Insured** agrees to act on behalf of the **Insureds** with respect to the giving and receiving of any notice provided for in this Policy, the payment of premiums and the receipt of any return premiums that may become due under this Policy, and the agreement to and acceptance of endorsements, and the **Insureds** agree that the **Named Insured** shall act on their behalf.

XIX. HEADINGS

The descriptions in the headings and subheadings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

XX. SERVICE OF SUIT

It is agreed that in the event Underwriters fail to pay any amount claimed to be due hereunder, Underwriters, at the request of the **Insureds**, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Condition constitutes or should be understood to constitute a waiver of our rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon the individual or entity shown under Item 11. of the Declarations and that in any suit instituted against Underwriters upon this policy, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The individual or entity shown under Item 11. of the Declarations is authorized and directed to accept service of process on Underwriters' behalf in any such suit and/or upon the request of the **Insureds** to give a written undertaking to the **Insureds** that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner

or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the **Insureds** or any beneficiary hereunder arising out of this Policy, and hereby designate the individual or entity shown under Item 11. of the Declarations as the person to whom the said officer is authorized to mail such process or a true copy thereof.

XXI. CHOICE OF LAW

Any dispute involving this Policy shall be resolved by applying the law of the state designated in Item 12. of the Declarations.