

BROKERAGE SERVICES LIABILITY INSURING AGREEMENT

Policy Number: [PolicyNbr]

In consideration of the premium paid and in reliance upon all statements made and information contained in the Declarations and **Application**, the **Insurer** and the **Insured** agree that coverage will be provided subject to all of the terms, conditions and limitations of this Insuring Agreement, as follows:

1. The attached **Policy** is amended by adding an additional Insuring Agreement as follows:

BROKERAGE SERVICES INSURING AGREEMENT

The **Insurer** will pay on behalf of the **Insured**, **Loss** resulting from **Claims** first made during the **Policy Period** or the Discovery Period against the **Insured** for which the **Insured** is legally obligated to pay for **Wrongful Acts** in rendering or failing to render **Brokerage/Advisory Services**.

2. For the purpose of the coverage afforded by this Insuring Agreement, all of the terms and conditions set forth in the **Policy** and any amendments thereto shall apply except:
 - A. Section II (B), entitled "Not-for-Profit Directorships", is deleted.
 - B. All of the definitions set forth in Section IV, entitled "Definitions", shall apply and the following is added:

Professional Services means only those services performed or required to be performed by an **Insured** for or on behalf of a customer of the **Company**:

- (1) for a fee, commission or other monetary compensation;
- (2) where a fee, commission or other monetary compensation would usually be received by the **Insured** but for business or other reasons is waived by the **Insured**; or
- (3) for other remuneration which inures to the benefit of the **Insured**.

Professional Services shall not include **Wrongful Acts** relating to an extension of credit, an agreement or refusal to extend credit, loan servicing, or the collection or restructuring of any extension of credit.

- C. All of the exclusions set forth in Section V, entitled "Exclusions Applicable to all Insuring Agreements", shall apply except the "Brokerage/Advisory Services Exclusion" which is deleted.
- D. Section V, entitled "Exclusions Applicable to all Insuring Agreements", is further amended to add the following:

Bonding/Insurance Company Exclusion - The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** that is brought directly or indirectly by or for the benefit of any insurance carrier or bond carrier of the **Company**, or any affiliate of the **Company**, regardless in whose name such **Claim** is actually made.

Contract Exclusion - The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim**:

- (1) arising out of or in any way involving the assumption of any liability to defend, indemnify, or hold harmless any person or entity, other than an **Insured Person**, under any written contract or agreement, unless such liability would be imposed regardless of the existence of such contract or agreement; or

- (2) for the intentional breach, in fact, of any express written or oral contract or amounts the **Company** is obligated to pay pursuant to any express written or oral contract. If it is established in fact that such **Claim** involves an intentional breach of contract, the **Insured** agrees to reimburse **Defense Costs**.

Fee Dispute Exclusion - The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** arising out of or in any way involving disputes over fees, commissions, or charges for the **Company's** services.

Insolvency Exclusion - The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** arising out of or in any way involving the:

- (1) insolvency, receivership, liquidation or bankruptcy of any insurance company the **Insured** represents; or
- (2) bankruptcy of or suspension of payment by any bank, banking firm, broker or dealer in securities or commodities or any other financial institution to the extent such **Claim** alleges a **Wrongful Act** solely in connection with **Professional Services** offered by the **Company**; provided, however, that this Exclusion shall not apply with respect to the **Insured's** investment on behalf of a customer in the stock of any such entities.

Investment Banking/Securities Underwriting Exclusion - The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** arising out of or in any way involving:

- (1) underwriting, syndicating or promoting any security (except loan syndications or equity or debt securities issued by the **Company**);
- (2) rendering of advice or recommendations regarding any actual or attempted or threatened merger, acquisition, divestiture, tender offer, proxy contest, leveraged buy-out, going private transaction, bankruptcy, reorganization, restructuring, recapitalization, spin-off, offering of securities, dissolution or sale of all or substantially all of the assets or stock of an entity;
- (3) rendering of any fairness opinion;
- (4) proprietary trading;
- (5) any acquisition or sale of securities of the **Company** for its own account; or
- (6) any other investment banking activity,

including any disclosure requirements in connection with any of the foregoing activities.

Investment Performance Exclusion - The **Insurer** shall not be liable to make any payment for **Loss**, other than **Defense Costs**, in connection with any **Claim** arising out of or in any way involving intentional, written or verbal, misrepresentations, promises or guarantees regarding the past performance or future value of any investment product.

Mechanical Malfunction Exclusion - The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** arising out of or in any way involving the mechanical or electronic failure, breakdown or malfunction of any machine or system of machines.

Receivership Exclusion - The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** arising out of or in any way involving the **Company's** function or activity as receiver, trustee in bankruptcy, or assignee for the benefit of creditors.

RICO Exclusion - The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** arising out or in any way involving any violation, or alleged violations, of the Racketeer Influenced and Corrupt Organizations Act (18 U.S.C. § 1961–1968), and amendments thereto, or similar provisions of any state or local statutory law, common law or administrative law.

E. In the event that a **Claim** is covered under this Insuring Agreement, the **Insurer** shall not be liable for payment of **Loss** in connection with such **Claim** under the Broad Form Company Liability Insuring Agreement or the Bankers Professional Liability Insuring Agreement (if applicable).

3. This Insuring Agreement shall be effective as of 12:01 a.m. on [ENDORSEMENTEFFDT].

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the **Policy** other than as above stated.

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