



ADMINISTERED BY:  
**AMERICAN PROFESSIONAL AGENCY, INC.**  
 INSURANCE

95 Broadway, Amityville, NY 11701  
 (631) 691-6400 • (800) 421-6694

AMERICAN HOME ASSURANCE COMP ANY  
 70 PINE STREET  
 NEW YORK, NEW YORK 10270  
 A CAPITAL STOCK COMP ANY FOUNDED 1853

**NOTICE: A \$25,000 SUB-LIMIT OF LIABILITY APPLIES TO JUDGMENTS OR SETTLEMENTS WHEN THERE ARE ALLEGATIONS OF SEXUAL MISCONDUCT . (SEE THE SPECIAL PROVISION “SEXUAL MISCONDUCT” IN THE POLICY). THIS LIMIT IS PART OF AND NOT IN ADDITION TO THE LIMITS OF LIABILITY SHOWN IN THE DECLARATIONS.**

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered. Throughout this Policy the words **you** and **your** refer to the Named Insured(s) shown in the Declarations and any other person(s) or organization(s) qualifying as an **insured** under this Policy. The words **we**, **us** and **our** refer to the Company providing this insurance. The word **insured** means any person or organization qualifying as such under SECTION II. WHO IS AN INSURED. Other words and phrases that appear in boldface have special meaning. Refer to SECTION VI. DEFINITIONS.

**SECTION I. COVERAGE**

We shall pay **your loss** arising from a **claim** for any actual or alleged **wrongful act** . The **wrongful act** must take place during the **policy period** and solely in the conduct of **your** business as a social service agency.

**SECTION II. WHO IS AN INSURED**

**A. Individual**

If **you** are shown in the Declarations as an individual, **you** and **your** spouse are **insureds** only for the conduct of a business as a social service agency of which **you** are the sole owner.

**B. Corporation**

If **you** are shown in the Declarations as a corporation or organization other than partnership or joint venture, **you** are an **insured**. **Your** stockholders are also **insureds** but only with respect to their liability as stockholders.

**C. Partnership or Joint Venture**

If **you** are shown in the Declarations as a partnership or joint venture, **you** are an **insured**. **Your** partners or co-ventures and their spouses are also **insureds** but only for the conduct of **your** business as a social service agency.

**D. Employee**

**Your employees** , executive officers, directors, trustees, volunteers and student interns are **insureds** within the scope of their employment by **you** or while performing duties related to the conduct of **your** business as a social service agency. **Your employee** , executive officer, director, trustee, volunteer or student intern will be an **insured** if he/she was **your employee** , executive officer, director, trustee, volunteer or student intern on the date of the actions complained of which constitute the basis for a **wrongful act** , even if he/she is no longer **your employee** at the time a **claim** for such **wrongful acts** is made.

**E. Acquisitions**

Any organization that **you** acquire or form during the **policy period** is an **insured** provided that:

1. if the organization is a corporation, **you** own 51% or more of the issued and outstanding shares entitled to vote in the election of directors; or
2. if the organization is not a corporation, **you** own directly or indirectly, a 51% or greater interest in either the profits or losses of the organization.

However, no organization that **you** acquire or form during the **policy period** will be insured for more than ninety (90) days from the date that **you** acquire or form it or the remainder of the **policy period** , whichever is less. This Policy will not provide coverage for any such organization for any **wrongful act** that happened or commenced before **you** acquired or formed it, or for which other insurance is available. An organization ceases to be an **insured** under this Policy when the Named Insured ceases to own more than a 51% interest in such organization.

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### SECTION III. LIMITS OF LIABILITY

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- A. The Limits of Liability shown in the Declarations to this Policy and the information contained in this section fix the most **we** shall pay regardless of the number of:
1. Persons or organizations covered by this Policy; or
  2. Claimants or **claims**.
- B. The **wrongful act** Limit of Liability is the most **we** shall pay for all **claims** that result from a single **wrongful act**.
- C. The Aggregate Limit is the most **we** shall pay for all **claims** covered under this Policy, including all **claims** covered under the Sexual Misconduct Provision.
- D. All **claims** arising from continuous, repeated, or related **wrongful acts** shall be treated as one **claim**. Such **wrongful acts** shall be considered to have taken place when the earliest **wrongful act** took place.
- E. The Limits of Liability of this Policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the **policy period** shown in the Declarations, unless the **policy period** is extended after issuance for an additional period of less than 12 months, at no additional premium charge. No extension of the **policy period** shall be deemed to reinstate the Limits of Liability.

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### SECTION IV. SEXUAL MISCONDUCT PROVISION

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- A. **Our** Limit of Liability shall not exceed \$25,000 in the aggregate for all damages with respect to the total of all **claims** made against **you** involving any actual or alleged erotic physical contact, or attempt thereof or proposal thereof:
1. By **you** or any other person for whom **you** may be legally liable; and
  2. With or to any former or current client of **yours**, or with or to any relative or member of the same household as any said client, or with or to any person with whom said client or relative has an affectionate personal relationship.
- B. In the event that any of the foregoing are alleged at any time, either in a complaint, during discovery, at trial or otherwise, any and all causes of action alleged and arising out of the same or related courses of professional treatment and/or relationships shall be subject to the aforesaid \$25,000 aggregate Limit of Liability and shall be part of, and not in addition to the Limits of Liability otherwise afforded by this Policy.
- C. The \$25,000 aggregate Limit of Liability for sexual misconduct afforded by this section shall be part of, and not in addition to, the Limit of Liability shown in the Declarations. **We** shall not be obligated to undertake nor to continue to defend any **claim** or proceeding subject to the \$25,000 aggregate Limit of Liability after the \$25,000 aggregate Limit of Liability has been exhausted by payment of judgments, settlements and/or other items included within the Limit of Liability.

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### SECTION V. DEFENSE COSTS, CHARGES AND EXPENSES

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**We** shall pay the cost related to the following, which are in addition to the Limits of Liability:

- A. **We** have the right and duty, at **our** expense to defend and to appoint counsel for any **claim** brought against **you** for a covered **wrongful act**, even if the **claim** is groundless or fraudulent. **Our** duty to defend any **claim** ends after the applicable Limit of Liability has been exhausted by payment of judgments, awards, or interest accruing thereon prior to entry of judgment or issuance of an award and settlements.
- B. **We** have the right to investigate and settle any **claim** that **we** believe is proper.
1. **We** shall pay all reasonable costs **we** ask **you** to incur other than loss of earnings while defending a **claim**.
  2. **We** shall pay premiums for appeal bonds, or bonds to release property used to secure legal obligation, if required in a **claim we** defend. **We** shall only pay, however, for bonds valued up to the applicable Limits of Liability. **We** have no obligation to appeal or to obtain these bonds.
- C. **We** shall pay all interest on that amount of any judgment up to the Limits of Liability:
1. Which accrues after entry of judgment; and
  2. Before **we** pay, offer to pay, or deposit in court that part of the judgment within the applicable Limits of Liability.
- D. **We** shall not be obligated to make any payment nor undertake or continue defense of any **claim** or proceeding after **our** applicable Limits of Liability has been exhausted by payment of judgments and awards.

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### SECTION VI. DEFINITIONS

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- A. **Automobile** means a land vehicle whether or not self-propelled, or a trailer or semitrailer, including any machinery or apparatus attached thereto, whether or not designed for use principally on public roads.
- B. **Bodily Injury** means physical harm, sickness, or disease, including death resulting therefrom.
- C. **Claim(s)** means:
1. a written demand for money;
  2. a written demand to toll or waive a statute of limitations;
  3. a civil proceeding or arbitration proceeding for monetary relief which is commenced by:
    - a. service of a complaint; or
    - b. notice of an arbitration, mediation or alternative dispute resolution proceeding.

- D. Defense Costs** mean:
1. Fees charged by an attorney designated by **us**;
  2. Premiums for any appeal bond, attachment bond or similar bond, but the Company shall have no obligation to apply for or furnish such bond; and
  3. All other fees, costs and expenses resulting solely from the investigation, adjustment, defense and appeal of a **claim**, if incurred by **us**. However, **defense costs** do not include salary charges of **our** regular employees or officials, **your** salary, or the salary of **your** regular **employees** or officials.
- E. Discrimination** means a violation of any law, whether statutory or common law, which prohibits disparate treatment based on race, color, religion, national origin, age, sex, marital status, sexual orientation, disability, veteran status or any other legally protected status.
- F. Employee** means an individual whose labor or service is engaged by and directed by the **insured** for remuneration. This includes part-time, seasonal, and temporary **employees** as well as any individual whether employed in a supervisory, co-worker, subordinate position or otherwise. Independent contractors are not **employees**.
- G. Household Member** means any person who regularly resides with **you**.
- H. Loss** means damages, judgments, settlements and **defense costs**. **Loss** does not include fines, penalties, sanctions, taxes, or punitive or exemplary damages, the multiplied portion of multiplied damages, or reimbursements of legal fees, costs, or expenses.
- I. Policy Period** means the period commencing on the effective date shown in the Declarations. This period ends on the earlier of the expiration date or the effective date of cancellation of this Policy. If **you** became an **insured** under this Policy after the effective date, the **policy period** begins on the date that **you** became an **insured** and ends on the earlier of the expiration date or the effective date of cancellation of this Policy.
- J. Pollutant** means any solid, liquid, gaseous, or thermal irritant or contaminant, including: smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes, but is not limited to, material to be recycled, reconditioned or reclaimed, as well as medical waste.
- K. Property Damage** means:
1. Physical injury to, or destruction of, tangible property including the loss of use of it; or
  2. Loss of use of tangible property, which has not been physically injured or destroyed.
- L. Wrongful Act** means any actual or alleged negligent act, error, misstatement, misleading statement, or omission in performing or failing to perform professional services for others.

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## SECTION VII. EXCLUSIONS

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This Policy shall not apply to:

- A.** Any liability of **yours** as a proprietor or owner of any medical clinic with bed and board facilities, hospital, sanitarium, nursing home or laboratory;
- B.** Any medical, surgical, dental, x-ray or radiological service or treatment or the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances. This exclusion shall not apply to:
1. Medical services or treatment performed by **you** at the direction of a physician, or the furnishing or use of biofeedback equipment as is customary in **your** practice as a social service agency; or
  2. **Your** social service agency employed psychiatrists; if a premium charge is indicated for them in Item 6 of the Declarations;
- C.** Any disputes involving **your** cost estimates, fees, or charges;
- D.** Any **wrongful act** of a managerial or administrative nature that is not directly related to services rendered to a patient or client;
- E.** Any **wrongful act** arising out of **your** activities as a member of a formal accreditation or professional review board of a hospital or professional society, or professional licensing board;
- F.** Any liability arising out of the ownership, maintenance, operation, use, loading or unloading of any **automobile**, aircraft or watercraft;
- G.** Any **bodily injury** or **property damage** to any **employee** or independent contractor working for **you**, or to any obligation **you** may have to indemnify another because of damages arising out of any **bodily injury** or **property damage**;
- H.** Any actual or alleged violation of anti-trust, price fixing or restraint of trade law or infringement of copyright, patent, trademark, service mark or trade name;
- I. Property damage** to:
1. Property owned or occupied by or rented to **you**;
  2. Property used by **you**;
  3. Property in **your** care, custody or control, or property over which **you** are exercising physical control for any purpose; or
  4. Premises sold, given away or abandoned by **you**, if the **property damage** arises out of any part of those premises;
- J.** Any liability arising out of any business relationship or venture with any prior or current client of **yours**;
- K.** Any employment practice including, but not limited to, application for employment, refusal to employ, termination of employment, coercion, demotion, evaluation, reassignment, discipline, harassment including sexual harassment, humiliation, or violation of civil rights;
- L.** Any **discrimination** on any basis whatsoever;
- M.** Any liability arising out of any **wrongful act** if **you** were found to be legally intoxicated or under the influence of any illegal substance or drug;
- N.** Any fines or penalties or punitive, exemplary or multiplied damages; if permitted by law **we** shall, however, pay up to \$25,000 in the aggregate for all punitive, exemplary or multiplied damages with respect to all **claims** against **you**. This \$25,000 sub-limit for punitive, exemplary or multiplied damages shall be part of and not in addition to the applicable Limits of Liability;

- O. Any dishonest, fraudulent, criminal or malicious act, error, or omission or material misrepresentation of **your** professional capacity; but this exclusion shall not apply if **you** did not personally participate in or direct such act, error, or omission;
- P. Any liability in which **you** expected or intended injury or damage, regardless of whether **you** intended the specific injury or damage sustained. This exclusion shall not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property;
- Q. Any **claim** brought by any person or organization covered under this Policy, or for injury or damage sustained by **your** spouse or any **household member** .
- R. Any obligation which **you** may have under any workers' compensation, unemployment compensation, social security or disability benefits law, or under any similar law;
- S. Any liability **you** assume under any contract or agreement. This exclusion shall not apply to liability:
  1. **You** assume under a contract or agreement, which arises solely from **your wrongful act** , or
  2. Which would arise against **you** in the absence of the contract or agreement;
- T. Any **claim** arising from:
  1. The actual, alleged, or threatened, discharge, dispersal, seepage, migration, release, or escape of **pollutants** ; or
  2. Any direction or request, to test for, monitor, cleanup, remove, contain, treat, detoxify, or neutralize **pollutants** or in any way respond to or assess the effects of **pollutants** ;
- U. Any liability because of **wrongful acts** due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution or terrorism;
- V. Any **claim** arising from nuclear fission, nuclear fusion or radioactive contamination;
- W. Any liability arising from that part of any **claim** seeking non-monetary relief including, but not limited to, injunctive relief, declaratory relief, disgorgement, or other equitable remedies;
- X. Any breach of a fiduciary duty, responsibility or obligation;
- Y. Any thefts, burglary, robbery, mysterious disappearance, inventory shortage or inventory shrinkage. Further, no coverage shall be provided for any direct or consequential damage resulting from or contributed to by any of the foregoing;
- Z. Any goods or products, other than real property, manufactured, sold, handled or disposed of by:
  1. **You**;
  2. Others trading under **your** name; or
  3. A person or organization whose business or assets **you** have acquired.
- AA. Any **claim** arising from divorce mediation counseling unless:
  1. Prior to providing divorce mediation services, the **insured**, if he or she is an attorney, shall provide a written statement to all parties, explaining his or her role as a neutral intermediary and stating that he or she may not act as an advocate for either party.
  2. In cases where **you** assist in preparing a written statement agreement in connection with the provision of divorce mediation services, **you** shall advise each participant in writing to have the settlement agreement independently reviewed by counsel of their own choosing before executing the agreement;
- BB. Any **claim** brought by or on behalf of an **insured** against another **insured**.

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## SECTION VIII. CONDITIONS

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### A. COVERAGE TERRITORY

**We** cover **wrongful acts** anywhere in the world, but only if a **claim** is made and brought for such **wrongful act** in the United States of America, its territories and possessions, Puerto Rico, or Canada.

### B. YOUR ASSISTANCE AND COOPERATION

1. **You** agree to cooperate with and help **us**:
  - a. Make settlements;
  - b. Enforce any legal rights **you** or **we** may have against anyone who may be liable to **you**;
  - c. Attend depositions, hearings and trials; and
  - d. Secure and give evidence, and obtain the attendance of witnesses.
2. **You** shall not admit any liability, assume any financial obligation, or pay out any money without **our** prior consent. If **you** do, it shall be at **your** own expense.

### C. LAWSUITS AGAINST US

1. No one can sue **us** to recover under this Policy unless all of the terms have been honored.
2. A person or organization may sue **us** to recover up to the Limits of Liability under this Policy only after **your** liability has been decided by:
  - a. Trial, after which a final judgement has been entered; or
  - b. Written settlement agreement signed by **you**, **us**, and the party making the **claim** .

### D. BANKRUPTCY

**You**, or **your** estate's, bankruptcy or insolvency does not relieve **us** of **our** obligations under this Policy.

### E. INSPECTIONS AND SURVEYS

**We** have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give the first Named Insured reports on the conditions **we** find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. **We** do not make safety inspections. **We** do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. In addition, **we** do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to **us**, but also to any rating, advisory, rate service or similar organization, which makes insurance inspections, surveys, reports or recommendations on **our** behalf.

#### **F. PREMIUMS**

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Shall be the payee for any return premiums **we** pay.

#### **G. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

**Your** rights and duties under this Policy may not be transferred without **our** written consent except in the case of death of an individual **insured**.

If **you** die, or are declared legally bankrupt **your** rights and duties shall be transferred to **your** legal representative, but only while acting within the scope of duties as **your** legal representative. Until **your** legal representative is appointed, anyone having proper temporary custody of **your** property shall have **your** rights and duties but only with respect to that property.

#### **H. CHANGES**

The first Named Insured in the Declarations is authorized to request changes in this Policy. This Policy can only be changed by a written endorsement **we** issue and make part of this Policy.

#### **I. CONFORMANCE TO STATE**

To the extent terms of this Policy conflict with a statute of the State within which this Policy is issued, the term shall be deemed amended to conform to minimum requirements of the statute.

#### **J. DUTIES IN THE EVENT OF WRONGFUL ACT, CLAIM OR SUIT**

1. **You** must see to it that **we** are notified as soon as practicable of a **wrongful act** that may result in a **claim**. To the extent possible, notice should include:
  - a. How, when, and where the **wrongful act** took place;
  - b. The names and addresses of any injured persons and witnesses; and
  - c. The nature and location of any injury or damage arising out of the **wrongful act**.
2. If a **claim** is made against any **insured**, the first Named Insured must:
  - a. Immediately record the specifics of the **claim** and the date received;
  - b. Notify **us** as soon as practicable; and
  - c. The first Named Insured must see to it that **we** received written notice of the **claim** as soon as practicable.
3. The first Named Insured and any other involved **insured** must:
  - a. Immediately send **us** copies of any demands, notices, summonses or legal papers received in connection with the **claim**;
  - b. Authorize **us** to obtain records and other information;
  - c. Cooperate with **us** in the investigation or settlement of the **claim**; and
  - d. Assist **us**, upon **our** request, in the enforcement of any right against any person or organization that may be liable to **you** because of injury or damage to which this insurance may also apply.
4. **You** will not, except at **your** own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without **our** consent.

#### **K. OTHER INSURANCE**

**We** shall be excess over any other insurance including, but not limited to, any self-insurance. If there is other insurance that applies to the **loss** resulting from a **wrongful act**, the other insurance shall pay first. This Policy applies to the amount of **loss** that is more than:

1. The Limits of Liability of the other insurance; and
2. The total of all deductibles and self-insured amounts under all such other insurance.

**We** shall not pay more than **our** applicable Limits of Liability.

#### **L. OTHER MEMBER COMPANIES OF THE AMERICAN INTERNATIONAL GROUP, INC. POLICIES**

1. **We** or other member companies of American International Group, Inc., may issue two or more insurance policies. These policies may provide coverage for:
  - a. **claims** arising from the same, continuous, repeated or related **wrongful act**; and
  - b. Persons or organizations covered in those policies that are jointly and severally liable.
2. In such a case, **we** shall not be liable under this Policy for an amount greater than the proportion of the **loss** that this Policy's applicable Limit of Liability bears to the total applicable limits of insurance under all such policies.
3. In addition, the total amount payable under all such policies is the highest, single applicable Limit of Liability among all such policies.

#### **M. REPRESENTATIONS**

1. By accepting this Policy, the first Named Insured agrees that the statements made in the Application and Declarations are true;
2. The first Named Insured agrees that this Policy is issued in reliance upon the truth of those representations; and
3. All relevant provisions may be void by **us** in any case of fraud, intentional concealment, or misrepresentation of material fact by the first Named Insured.

#### **N. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

In the event of any payment under this Policy, **we** shall be subrogated to the extent of such payment of **your** rights of recovery therefor, and **you** shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable **us** effectively to bring suit in **your** name. **You** shall do nothing after a **loss** to prejudice such rights.

**O. ARBITRATION**

1. Any controversy arising out of or relating to this Policy or its breach shall be settled by arbitration in accordance with the rules of the American Arbitration Association. The arbitration panel shall consist of three (3) arbitrators. The first Named Insured shall choose one of the arbitrators and **we** shall choose one arbitrator. Those two arbitrators shall then choose a third arbitrator. Unless the parties otherwise agree, the arbitration shall be held in the first Named Insured's state of domicile.
2. Unless the parties otherwise agree, within thirty (30) days of the parties submitting their case and related documentation, the arbitration panel shall issue a written decision resolving the controversy and stating the facts reviewed, conclusions reached, and the reasons for reaching those conclusions. The arbitration panel may make an award of compensatory damages, but shall not award punitive or exemplary damages. The findings of the arbitration panel, however, shall be binding.
3. The first Named Insured shall bear the expense of the arbitrator which it chooses. **We** shall bear the expense of the arbitrator chosen by **us**. The first Named Insured and **we** shall share equally the expense of the other arbitrator. The arbitration panel shall allocate any remaining costs of the arbitration proceeding.

**P. TITLES OF PARAGRAPHS**

Titles of paragraphs are inserted solely for convenience of reference and shall not be deemed to limit, expand or otherwise affect the provisions to which they relate.

**Q. WHEN WE DO NOT RENEW**

If **we** decide not to renew this Policy, **we** shall mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than thirty (30) days before the expiration date. If this notice is mailed, proof of mailing shall be sufficient proof of notice.

**R. CANCELLATION/NONRENEWAL**

1. The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to **us** advanced written notice of cancellation.
2. **We** may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. Ten (10) days before the effective date of cancellation if **we** cancel for non-payment of premium; or
  - b. Thirty (30) days before the effective date of cancellation if **we** cancel for any other reason.
3. **We** shall mail or deliver **our** notice to the first Named Insured's last mailing address known to **us**.
4. Notice of cancellation shall state the effective date of cancellation. This **policy period** shall end on that date.
5. If this Policy is canceled, **we** shall send the first Named Insured any premium refund due. If **we** cancel, the refund shall be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation shall be effective even if **we** have not made or offered a refund.
6. If notice is mailed, proof of mailing shall be sufficient proof of notice.
7. If the first Named Insured cancels, the first Named Insured shall return the Policy or a properly executed Lost Policy Release by mail or delivery to **us** or **our** authorized representative within seven (7) days of the effective date of cancellation.

**IN WITNESS WHEREOF, we have caused this Policy to be signed by our President and Secretary and countersigned where required by law on the Declarations page by our duly authorized representative.**

  
\_\_\_\_\_  
Secretary

  
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President