

EVEREST NATIONAL INSURANCE COMPANY

WEALTH MANAGEMENT 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:

WEALTH MANAGEMENT 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 **Trust Services** or **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 exclusions set forth in Section V, entitled "Exclusions Applicable to all Insuring Agreements", shall apply except the "Brokerage/Advisory Services Exclusion" "Foreclosed Property Exclusion", "Short Swing Profit Exclusion" and the "Trust Services Exclusion" which are deleted.
- C. 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.

Failure to Maintain Insurance 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 any actual or alleged failure to effect or maintain any policy of insurance.

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 or future performance 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.

RICO 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 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.

- D. Section V, entitled "Exclusions Applicable to all Insuring Agreements", is further amended to delete and replace the "Insured vs. Insured Exclusion" as follows:

Illegal Profit/Payment 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) any **Insured** gaining, in fact, any profit, remuneration, or financial advantage to which the **Insured** was not legally entitled; or
- (2) conflicts of interest, engaging in self-dealing, or acting in bad faith.

- 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 any other Insuring Agreement.

- F. Section XI, entitled "Mergers, Acquisitions and Changes in Business Activities", is deleted and replaced as follows:

SECTION XI - MERGERS AND ACQUISITIONS

- A. If during the **Policy Period**, the **Company** acquires or merges with another entity or creates or acquires a **Subsidiary**, with trust assets under management that equals or exceeds twenty-five percent (25%) of the **Company's** total trust assets under management at the time of the transaction, then no coverage shall be afforded under this **Policy** for any **Loss** incurred by the **Insured** or such entity resulting from any **Claim** arising out of or in any way involving such trust assets, prior to:
- (1) the **Company** providing written notice and any requested information regarding the transaction to the **Insurer** as soon as practicable;
 - (2) the **Insurer**, at its sole discretion, agreeing in writing to provide such coverage; and
 - (3) the **Company** accepting any special terms, conditions and/or Exclusions and paying any additional premium required by the **Insurer**.

However, this provision shall not apply until ninety (90) days after the acquisition, merger or creation.

- B. If during the **Policy Period**, the **Company** creates or acquires trust assets representing less than twenty-five percent (25%) of the **Company's** total trust assets under management at the time of the transaction, the **Insurer** agrees to provide automatic coverage for such trust assets for the remainder of the **Policy Period**.

- C. Any coverage otherwise afforded under this **Policy** for a **Loss** in any way involving trust assets described in (A) or (B) above shall not apply to any **Claim** arising out of or directly or indirectly resulting from:

- (1) any **Wrongful Act** or any fact, circumstance or situation committed or allegedly committed prior to the effective date of such acquisition, merger or creation; or
- (2) any other **Wrongful Act**, which, together with a **Wrongful Act** committed or allegedly committed prior to effective date of such acquisition, merger or creation constitute **Interrelated Wrongful Acts**.

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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