



TITLE INDUSTRY ASSURANCE COMPANY, RISK RETENTION GROUP

Burlington, Vermont
(A Stock Company)

ABSTRACTERS, TITLE INSURANCE AGENTS AND ESCROW AGENTS PROFESSIONAL LIABILITY INSURANCE

NOTICE

THIS POLICY IS ISSUED BY YOUR RISK RETENTION GROUP. YOUR RISK RETENTION GROUP MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK RETENTION GROUP.

In consideration of the payment of the premium, and in reliance upon the statements and warranties in the application (which statements and warranties are acknowledged to be material to the risks insured by this policy, form a part of this policy, and shall be deemed to be attached to this policy), and subject to the limits of liability shown in the Declarations, and subject to all the terms of this insurance, the Company agrees as follows:

A. COVERAGE

1. **INSURING AGREEMENT:** The **Company** agrees to pay on behalf of the **Insured** all **Damages** and **Claims Expenses** in excess of the applicable deductible amount stated in the Declarations which the **Insured** shall become legally obligated to pay as a result of **Claims** first made against the **Insured** during the **Policy Period** by reason of a **Wrongful Act** which happened:
 - a. during the **Policy Period**; or
 - b. prior to the **Policy Period** provided that on the effective date of this policy the **Insured** had no knowledge of such **Wrongful Act**;

PROVIDED ALWAYS THAT such **Wrongful Act** arises out of **Professional Services** rendered or that should have been rendered by the **Insured**.

It is a condition precedent to coverage under this policy that all **Claims** be reported in compliance with Section G. **DUTIES IN THE EVENT OF A CLAIM.**

2. **DEFENSE, SETTLEMENT:** With respect to the insurance afforded by this policy, the **Company** shall have the right and duty to defend any **Claim** against the **Insured** seeking **Damages** to which this insurance applies even if any of the allegations of the **Claim** are groundless, false, or fraudulent, but the **Company** shall not be obligated to pay any **Claim** or judgment or to continue to defend any **Claim** after the applicable limit of the **Company's** liability has been exhausted by payment of judgments, settlements, or **Claims Expenses**.

3. **NOTICE OF CIRCUMSTANCES THAT MAY GIVE RISE TO A CLAIM:** If during the **Policy Period** the **Insured** becomes aware of any circumstances that may subsequently give rise to a **Claim** for which coverage is provided under this policy, and if the **Insured** shall during the **Policy Period** give written notice to the **Company** of:
- the specific **Wrongful Act** that may give rise to a **Claim**; and
 - the injury or **Damages** which has or may result from such **Wrongful Act**; and
 - the circumstances by which the **Insured** first became aware of such **Wrongful Act**;

then any **Claim** subsequently made against the **Insured** arising out of such **Wrongful Act** shall be deemed for the purposes of this insurance to have been made during the **Policy Period**.

Notice pursuant to this Section A.3. shall not be effective to preserve coverage if first provided during the extended reporting period. The extended reporting period shall apply only to **Claims** made during the extended reporting period.

B. ADDITIONAL COVERAGES

Additional Coverages are subject to the exclusions set forth in Section D. **EXCLUSIONS**. Except as otherwise provided below, payments made under this Section B. shall not be subject to the deductible and shall be in addition to the limit of liability stated in the Declarations.

1. PRE-CLAIMS ASSISTANCE

Until the date a **Claim** is made, the **Company** shall pay for all costs or expenses it incurs as a result of investigating circumstances that may give rise to a **Claim** that the **Insured** reports in accordance with Section A.3. of this policy.

2. SUBPOENA ASSISTANCE

If during the **Policy Period**, the **Insured** receives a subpoena for documents or testimony arising out of **Professional Services** and the **Insured** requests, in writing, the **Company's** assistance in responding to the subpoena, the **Company** will retain an attorney to provide advice regarding the production of documents, to prepare the **Insured** for testimony, and to represent the **Insured** at the **Insured's** deposition, provided that the subpoena is not issued in connection with a **Claim** against the **Insured**.

3. REGULATORY PROCEEDINGS

The **Company** shall reimburse the Named Insured for reasonable attorneys' fees actually incurred by the Named Insured in responding to an investigation or proceeding, first commenced during the **Policy Period** and reported to the **Company** during the **Policy Period**, before the Consumer Financial Protection Bureau or any other federal or state agency or licensing board with authority to regulate the **Professional Services** insured under this policy. In no event shall the amount payable under this section B.3 exceed \$50,000 aggregate each **Policy Period** regardless of the number of **Insureds** or the number of investigations or proceedings. No coverage is afforded for any fine or penalty (including statutory penalties) of any type.

4. LOSS OF EARNINGS

The **Company** shall reimburse each **Insured** up to \$500 for loss of earnings for each day or part of each day such **Insured** is in attendance, at the **Company's** request, at a trial, hearing, or arbitration proceeding involving a **Claim** against such **Insured**. In no event shall the amount payable under this section B.4 exceed \$15,000 per **Policy Period** regardless of the number of **Insureds**, **Claims**, or proceedings.

C. DEFINITIONS

Whenever used in this policy:

- CLAIM** means a demand for money or services, alleging a **Wrongful Act** by the **Insured**, including the service of suit or institution of arbitration proceedings.
- CLAIMS EXPENSE** means:
 - fees charged by any lawyer designated by the **Company**;
 - fees charged by any lawyer designated by the **Insured** with the written consent of the **Company**.
 - all other fees, costs, and expenses incurred by the **Company** resulting from the investigation, adjustment, defense, and appeal of a **Claim**.

However, **Claims Expense** does not include salary charges of regular employees or officials of the **Company** or the **Insured**.

3. **COMPANY** means the Title Industry Assurance Company, Risk Retention Group.
4. **DAMAGES** mean compensatory damages awarded by a court or arbitrator. **Damages** do not include restitution, disgorgement, or any other form of equitable relief, including the costs of complying with such relief, or the return or refund by any **Insured** of fees, premiums, charges, overcharges or overpayments. **Damages** do not include punitive or exemplary damages, multiplied damages, fines or penalties (including statutory penalties) of any kind.
5. **INSURED or INSUREDS** means:
 - a. the Named Insured specified in Item 1 of the Declarations;
 - b. any owner, partner, officer, director, stockholder, member or employee of the Named Insured solely while acting within the scope of his or her duties for the Named Insured;
 - c. any former owner, partner, officer, director, stockholder, member or employee of the Named Insured solely while acting within the scope of his or her duties for the Named Insured;
 - d. as respects the liability of each **Insured** in a., b., or c., above, the heirs, executors, administrators and legal representatives of each **Insured** in the event of his or her death, incapacity or bankruptcy; and
 - e. any lawful spouse of any person qualifying as an **Insured** under this policy, but only with respect to **Claims** arising solely out of his or her capacity as a spouse unless such spouse otherwise qualifies as an **Insured** under this policy.
6. **POLICY PERIOD** means the period from the inception date of this policy to the policy expiration date as set forth in the Declarations or its earlier cancellation date, if any.
7. **POLLUTANTS** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, mold, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
8. **PROFESSIONAL SERVICES** means services (including title opinions or title certifications) performed for others for a fee as a title insurance agent, title abstracter, title searcher, UCC searcher, corporate document searcher, public records searcher, flood zone certifier, escrow agent, closing agent, witness closer or notary public. **PROFESSIONAL SERVICES** include, when performed for others for a fee, services delegated to the **Insured** as a "Service Provider" (as defined in The Consumer Financial Protection Act of 2010 (12 U.S.C. sec. 5481 (26))) in connection with real estate settlements, other than appraisal services.
9. **WRONGFUL ACT** means any actual or alleged act, error, omission, misstatement, neglect or breach of duty by an **Insured** in the performance of or failure to perform **Professional Services**.

D. EXCLUSIONS

THIS POLICY DOES NOT APPLY TO ANY CLAIM OR CLAIMS EXPENSES BASED UPON, OR DIRECTLY OR INDIRECTLY ARISING OUT OF, IN ANY WAY INVOLVING, OR RELATING IN ANY WAY TO:

1. any dishonest, fraudulent, criminal, malicious, or intentional acts committed by or at the direction of the **Insured**;
2. libel, slander, personal injury, bodily injury, emotional distress, sickness, disease or death of any person, or injury to or destruction of any tangible or intangible property or loss of use resulting therefrom;
3. any employment relationship or prospective employment relationship, or any claimed entitlement to or claimed deprivation of any of the benefits of any employment relationship;
4. any violation or alleged violation of the Securities Act of 1933 as amended or the Securities Exchange Act of 1934 as amended or any state Blue Sky or securities law or similar state or federal statute and any regulation or order issued pursuant to any of the foregoing statutes;
5. any liability assumed by the **Insured** under any contract or agreement whereby the **Insured** has agreed to participate in the payment of a loss, including attorneys' fees, court costs, and expenses payable under a title insurance policy, unless and only to the extent that the **Insured** would have had such liability in the absence of the contract or agreement;
6. defects in title, of which the **Insured** had knowledge at the time of issuance of a title insurance policy or commitment, but which the **Insured** intentionally did not disclose to the title insurer; or the issuance of a title policy or commitment in an amount in excess of the limit of authority extended to the **Insured** by the title insurer or underwriter whose policy or commitment is issued;
7. punitive or exemplary damages, multiplied damages, fines, or penalties (including statutory penalties) of any kind;
8. actual or alleged unlawful discrimination by any **Insured**;

9. any situation where the **Insured** has made more than one payment to any contractor, subcontractor, materialman, or supplier without receipt of a waiver of lien or release of lien covering the work performed or materials supplied by such contractor, subcontractor, materialman, or supplier;
10. any defalcation, theft, embezzlement, conversion, or misappropriation, by any person, of client or customer funds or negotiable instruments or any **Insured's** commingling, loss of, failure to safeguard, or failure or refusal to pay or return any client or customer funds or negotiable instruments;
11. any liability of others assumed by the **Insured** under any contract or agreement, unless and only to the extent that the **Insured** would have had liability in the absence of the contract or agreement;
12. actual, alleged, or threatened discharge, dispersal, release, or escape of **Pollutants**; or any loss, cost, or expense arising out of any governmental direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **Pollutants**;
13. any liability arising out of the practice of law by any **Insured** or the services of any **Insured** as an attorney;
14. unfair competition, or infringement of copyright, title, slogan, patent, trademark, trade name, service mark, or service name;
15. any notarized certification or acknowledgement of a signature without the physical appearance before an **Insured** notary public of the person who is or claims to be the person whose signature is being attested;
16. nuclear reaction, radiation or contamination, under any circumstance, regardless of cause;
17. any **Claims** made by an **Insured** against any other **Insured**;
18. unjust enrichment, restitution, discouragement, or the return or refund of any charge or overcharge by any **Insured** or any restitution, discouragement, return or refund by any **Insured** of any premiums, charges or payments.

E. TERRITORY

This policy applies to **Wrongful Acts** that are committed anywhere in the world, provided that **Claim** is made and suit is brought against the **Insured** within the United States, its territories or possessions, or Canada.

F. LIMITS OF LIABILITY AND DEDUCTIBLE

1. **LIMIT OF LIABILITY—EACH CLAIM:** The liability of the **Company** for **Damages** and **Claims Expenses** for each **Claim** first made against the **Insured** during the **Policy Period** and the extended reporting period shall not exceed the amount stated in the Declarations applicable to "Each Claim".
2. **LIMIT OF LIABILITY—POLICY AGGREGATE:** The aggregate liability of the **Company** for **Damages** and **Claims Expenses** for all **Claims** first made against the **Insured** during the **Policy Period** and the extended reporting period shall not exceed the amount stated in the Declarations applicable to "Policy Aggregate".
3. **DEDUCTIBLE:** The deductible amount stated in the Declarations as "Each Claim" shall be paid by the **Insured** and shall be applicable to each **Claim** and shall include settlements, judgments, and **Claims Expenses**. The obligation to pay the deductible shall be the joint and several obligation of all **Insureds** under the policy, whether or not such **Insured(s)** is named in or is the subject of the **Claim(s)** that give rise to the deductible obligation.

Subject to the immediately preceding provision respecting the deductible for "Each Claim", the total deductible amount for which the **Insureds** will be responsible as respects all **Claims** first made during any one **Policy Period** shall not exceed the amount stated in the Declarations as "Aggregate Each **Policy Period**".

Such amounts shall, upon written demand by the **Company**, be paid by the **Insureds** within ten (10) days. The total payments requested from the **Insureds** in respect of all **Claims** made during the **Policy Period** shall not exceed the aggregate deductible amount stated in the Declarations.
4. **LIMIT OF LIABILITY—REDUCTION FOR REFUSAL TO SETTLE:** The **Company** shall not settle any **Claim** without the written consent of the **Insured**. If, however, the **Insured** shall refuse to consent to any settlement recommended by the **Company** and shall elect to contest the **Claim** or continue any legal proceedings in connection with such **Claim**, then the **Company's** liability shall not exceed the amount for which the **Claim** could have been so settled plus **Claims Expenses** incurred up to the date of such refusal. Such amounts are subject to the provisions of Paragraphs 1 and 2 above.
5. **MULTIPLE INSUREDS, CLAIMS AND CLAIMANTS:** The inclusion herein of more than one **Insured** or the making of **Claims** or the bringing of suits by more than one person or organization shall not operate to increase

the **Company's** limit of liability. Two or more **Claims** arising out of a single **Wrongful Act**, related **Wrongful Acts** or similar **Wrongful Acts** shall be treated as a single **Claim**. All such **Claims**, whenever made, shall be considered first made within the **Policy Period** in which the earliest **Claim** arising out of such **Wrongful Acts** was first made, and all such **Claims** shall be subject to the "Each Claim" limit of liability provisions of Section F.1 above.

G. DUTIES IN THE EVENT OF A CLAIM

AS A CONDITION PRECEDENT TO COVERAGE HEREUNDER:

1. The Insured shall, as soon as possible after **Claim** is made, give written notice thereof to the **Company** at 7501 Wisconsin Avenue, Suite 1500E, Bethesda, MD 20814-6522.

Such written notice shall contain particulars sufficient to identify the **Insured** and also shall provide reasonably obtainable information with respect to the time, place and underlying circumstances of the **Claim**.

Notice of **Claim** must be received by the **Company** during the **Policy Period** or within thirty (30) days after the end of the **Policy Period** in which the **Claim** is made.

2. The **Insured** shall not admit any liability, make any payment, assume any obligation, or incur any expense related to any **Claim**, except with the prior written consent of the **Company**.
3. The **Insured** shall immediately forward to the **Company** every complaint, petition, notice, summons, or other process or court papers of any type received by the **Insured** or any representative of the Insured.
4. The **Insured** shall cooperate with the **Company** and, upon the **Company's** request, assist in making settlements, in the conduct of suits, and in enforcing any right of contribution or indemnity against any person or organization which may be liability to the **Insured** with respect to any **Claim** for which insurance is afforded under this policy, and the **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

H. CONDITIONS

1. **WAIVER OF EXCLUSION:** Whenever the coverage provided under this policy would not apply because of **EXCLUSION D.1**, the insurance which would otherwise be provided under this policy will apply to each **Insured** who did not personally commit or personally participate in committing any of the acts described in such exclusion and who had neither notice nor knowledge of such acts, if such **Insured**, upon receipt of notice or knowledge thereof, immediately notifies the **Company** of the aforesaid acts.
2. **CANCELLATION:** The Named Insured may cancel this policy by mailing to the **Company** at 7501 Wisconsin Avenue, Suite 1500E, Bethesda, MD 20814-6522, written notice stating when thereafter such cancellation shall be effective. The **Company** may cancel this policy by mailing to the Named Insured at the mailing address specified in item 1 of the Declarations written notice stating when not less than thirty (30) days thereafter such cancellation shall be effective, except that for nonpayment of premium or deductible, not less than ten (10) days advance notice of cancellation shall be given. The mailing of notice by the **Company** shall constitute sufficient proof of cancellation by the **Company**. The effective date and hour of cancellation specified in such notice shall terminate this **Policy Period**. Delivery of such notice by hand, email, or facsimile transmission shall be equivalent to mailing.

If the Named Insured cancels, the earned premium shall be computed in accordance with the customary short rate table. If the **Company** cancels, the earned premium shall be computed pro rata.

Premium adjustment may be made either at the time cancellation is effective or as soon as practicable thereafter, but payment or tender of unearned premium or the return of this policy shall not be a condition of cancellation.
3. **CONFORMITY TO STATUTES:** The terms of this policy which are in conflict with the statutes of a state whose laws govern interpretation of this policy are hereby amended to conform to such statutes.
4. **FIRST NAMED INSURED:** If there is more than one **Insured** in this policy, the Named Insured shall act for all **Insureds**. All notices pertaining to this policy will be sent only to the Named Insured and shall be effective as notice to all **Insureds**.
5. **ASSIGNMENT:** No assignment of interest under this policy shall be valid, unless the written consent of the **Company** is endorsed hereon. If, however, an **Insured** shall die or be judged incompetent, this policy shall cover the **Insured's** legal representative as the **Insured** with respect to liability previously incurred and covered by this policy.

6. **OTHER INSURANCE:** This insurance is excess over and shall not contribute with any other valid and collectible insurance available to the **Insured**.
7. **AUTHORIZATION CLAUSE:** By acceptance of this policy, the **Insureds** agree that the statements in the application are their agreements and warranties, that such agreements and warranties are material to the risks insured by this policy, that this policy is issued in reliance upon the truth of such agreements and warranties, and that this policy embodies all agreements existing between the **Insureds** and the **Company** or any of its agents relating to this insurance.
8. **SUBROGATION:** In the event of any payment under this policy, the **Company** shall be subrogated to all the **Insureds'** rights of recovery therefor against any person or organization and the **Insured(s)** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insureds** shall do nothing to prejudice such rights.
9. **CHANGES:** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the **Company** from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed except by endorsement issued to form a part of this policy.
10. **ACTION AGAINST COMPANY:** No action shall lie against the **Company** unless, as conditions precedent thereto, the **Insured** shall have fully complied with all the terms of this policy, and the amount of the **Insured's** obligation to pay **Damages** has been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant, and the **Company**.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. Nothing in the policy shall give any person or organization any right to join the **Company** as a codefendant in any action against the **Insured** to determine the **Insured's** liability, nor shall the **Company** be impleaded by the **Insured** or its legal representation.

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the **Company** of any of its obligations hereunder.

11. **PREMIUM:** All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plan, premiums, and minimum premiums applicable to the insurance afforded herein.
12. **EXTENDED REPORTING PERIOD:** In case of cancellation or non-renewal of the policy by the **Insured** or by the Company for any reason other than nonpayment of the premium or deductible, the Name Insured shall have the right, upon payment of the additional premium within thirty (30) days after the end of the **Policy Period**, to have issued an endorsement providing a one (1) year extended reporting period for **Claims** first made during the extended reporting period that, but for termination of this policy, would have been covered under this policy.

The extended reporting period does not apply to **Claims** that are based upon, directly or indirectly arise out of, in any way involve, or relate in any way to **Wrongful Acts** that occurred or were committed after the end of the **Policy Period**. The extended reporting period does not apply to any **Claims** that are insured under any insurance purchased by any **Insured** for a policy subsequent to the cancellation or non-renewal of this policy.

The additional premium shall be determined in accordance with the rates, rules and plans of the **Company** in effect at the time of termination and shall be fully earned upon the inception of the extended reporting period.

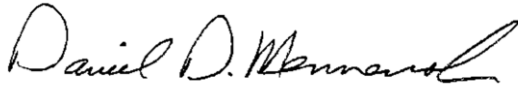
The deductible applicable to **Claims** made during the extended reporting period shall be the same as the deductible applicable during the latest **Policy Period**. Any **Claims** which are first made during the extended reporting period will be considered to have been first made during the latest **Policy Period** solely for the purpose of determining the applicable limit of liability, if any.

Nothing in this provision shall serve to renew or increase the Company's limits of liability.

13. **NEWLY ACQUIRED ENTITIES:** If, after the effective date of this policy, the Named Insured acquires, merges with, or forms a new title agency, this policy shall afford coverage for a period of ninety (90) days for such acquired, merged, or newly formed title agency, provided that:
 - a. the **Company** is provided written notice of the acquisition, merger, or formation as soon as practicable, but in no event later than ninety (90) days after the effective date of such acquisition, merger or formation; and

- b. the combined revenues of the Named Insured and such acquired merged, or newly formed title agency (calculated on an annualized basis) do not exceed one hundred twenty-five percent (125%) of the total revenues reported on the last application submitted to the **Company**; and
- c. no coverage shall be provided for any **Claim** or **Claims Expenses** based upon, or directly or indirectly arising out of, or in any way involving, or related in any way to any **Wrongful Act** that occurred or was committed prior to the effective date of such acquisition, merger, or formation.

IN WITNESS WHEREOF the **Company** has caused this policy to be signed by its Secretary and its President and countersigned on the Declarations page by an authorized representative.



President



Secretary

SPECIMEN