

IMPORTANT NOTE: THIS IS CLAIMS MADE COVERAGE. PLEASE READ THIS POLICY CAREFULLY.

THIS POLICY IS WRITTEN ON A CLAIMS MADE BASIS AND COVERS ONLY CLAIMS FIRST MADE DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF EXERCISED, AND REPORTED WITHIN THE SPECIFIED TIME. THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY DEFENSE COSTS. DEFENSE COSTS AND LOSS PAYMENTS SHALL BE APPLIED AGAINST THE SELF-INSURED RETENTION AMOUNT.

STAFFING FIRM EMPLOYMENT PRACTICES LIABILITY INSURANCE

Arch/EPL-Staffing

STAFFING FIRM EMPLOYMENT PRACTICES LIABILITY INSURANCE

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 **Staffing Firm** shown in Item 1 of the Declarations. The words “we”, “us”, and “our” refer to the Underwriters providing this insurance.

The word “**Insured**” means any person or organization qualifying as such under the definition of **Insured** in SECTION III.

Other words and phrases that appear in **bold** have special meaning as described in SECTION III.

In consideration of payment of the premium and in reliance upon the statements made in the **Application**, which is made a part of and deemed attached to this **Policy** and subject to the Declarations and the limitations, conditions, provisions, and other terms of this **Policy**, the Underwriters and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

- (A) We will pay all **Loss** that the **Insureds** become obligated to pay as a result of **Claims** first made against any **Insured** during the **Policy Period**, or the Extended Reporting Period if applicable, for **Wrongful Employment Practices**.
- (B) If purchased and indicated on the Declarations Page, we will pay all **Loss** that the **Insureds** become obligated to pay as a result of **Claims** first made by any **Temporary Worker** against any **Insured** during the **Policy Period**, or the Extended Reporting Period if applicable, for **Wrongful Employment Practices** or **Staffing Services Discrimination**.
- (C) If purchased and indicated on the Declarations Page, we will pay all **Defense Costs** that your **Client** becomes obligated to pay as a result of **Claims** made by **Temporary Workers** against your **Clients** for **Wrongful Employment Practices**; provided, however, that coverage pursuant to this Insuring Agreement C shall only apply to those **Claims** that arise from **Wrongful Employment Practices** committed by, or allegedly committed by, you.

II. DEFENSE AGREEMENT

We will defend the **Insureds** against all **Claims** to which this **Policy** applies in accordance with the defense provisions in Section V(A).

III. DEFINITIONS

- (A) **Applicant for Employment** means a person who seeks employment with or through the **Staffing Firm**.

- (B) **Application** means all applications, including attachments and submitted materials, for this **Policy** or for any policy of which this **Policy** is a renewal or replacement. All such applications, attachments, and materials are deemed attached to and incorporated into this **Policy**.
- (C) **Claim** means:
- (1) a written demand for monetary damages or non-monetary relief, or written notice of an intention to hold an **Insured** responsible for a **Wrongful Employment Practice** or, with respect to Insuring Agreement B, **Staffing Services Discrimination**;
 - (2) a charge, complaint or other notice of commencement of federal, state, or local administrative proceedings by or before any agency with authority over the **Staffing Firm's** employment practices; or
 - (3) the filing of a civil lawsuit or arbitration proceeding; or
 - (4) the filing of a criminal lawsuit or the institution of criminal proceedings; provided, however, that the decision to consider such lawsuit or proceedings a **Claim** shall be in our sole discretion and must be agreed to by you.

A **Claim** is deemed first made when it is received by an **Insured**.

For the purposes of this **Policy**, all **Claims** arising out of the same **Wrongful Employment Practices** or, with respect to Insuring Agreement B, **Staffing Services Discrimination**, and all **Interrelated Claims** shall be deemed one **Claim**, and such **Claim** shall be deemed to be first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period**.

- (D) **Client** means a person or entity that uses the professional services of the **Staffing Firm** and for whom an indemnification agreement is in place.
- (E) **Defense Costs** means reasonable and necessary fees, costs, and expenses incurred by counsel, experts or investigators appointed or pre-approved by us in the investigation, defense and appeal of any **Claim** pursuant to DEFENSE AGREEMENT Section II.; but **Defense Costs** do not include any wages, salaries, fees, or expenses of any **Insured** or **Client**. **Defense Costs** will include legal and investigation fees necessary to respond to potential **Claims** identified under Section V(B)(2), if incurred at our request and direction.
- (F) **Employee** means any individual whose labor or service is engaged by and directed by the **Staffing Firm**, including volunteers and all staff members, whether part-time, full-time, seasonal, or temporary. **Leased Employees** are also **Employees** to the extent indemnified by the **Staffing Firm**. **Temporary Workers** will be considered **Employees** solely with respect to Insuring Agreement B and Insuring Agreement C.

(G) **Insured** means you and individuals who are your principals, partners, officers, directors, trustees, shareholders and those **Employees** for whom you request coverage at the time of **Claim**, acting in their capacities as such. If, at any time during the **Claim**, you no longer want us to provide coverage for any such **Employee(s)**, you shall send us written notice requesting that coverage for the **Employee(s)** be withdrawn. Coverage for the **Employee(s)** shall cease as of the day we receive such notice.

Your **Client** shall also be considered an **Insured** solely with respect to Insuring Agreement C.

(H) **Interrelated Claims** means all **Claims** arising from **Wrongful Employment Practices** and, solely with respect to Insuring Agreement B, **Staffing Services Discrimination**, that have as a common nexus any fact, circumstance, situation, event, transaction, or series of related facts, circumstances, situations, events or transactions.

(I) **Leased Employee** means any **Employee** who is leased to you to perform work at and for the **Staffing Firm** and over whom you control the means and manner of their work.

(J) **Loss** means damages, judgments, settlements, verdicts, and awards, including compensatory damages, back pay, front pay, statutory attorneys' fees, pre-judgment and post-judgment interest, and statutory liquidated damages. Punitive, exemplary, and multiple damages are also **Loss** if such coverage is purchased and indicated by an amount appearing in Item 4(d) of the Declarations, and to the extent insurable under the law of any applicable jurisdiction most favorable to insurability.

Loss does not include: (1) fines, penalties, or taxes; (2) any amount for which the **Insured** is absolved from payment; (3) stock options or amounts reflecting the value of stock options; (4) amounts owed under employment contracts, partnership, stock or other ownership agreements, or any other type of contract; (5) severance pay; (6) disability, social security, workers' compensation, medical, insurance, retirement or pension benefits, or settlement amounts representing benefits payments; (7) the cost to modify any premises or provide any accommodation to any disabled person; (8) the cost of instituting or conducting any program, procedure, or training; (9) the cost of instating or reinstating employment, or providing any non-monetary relief; or (10) any relief, whether pecuniary or injunctive, imposed or agreed to in connection with criminal lawsuits or proceedings.

(K) **Policy** means, collectively, the Declarations, the **Application**, this form, and any endorsements.

(L) **Policy Period** means the period of time specified in Item 2 of the Declarations, subject to any prior cancellation described in Section V(R) of this **Policy**.

(M) **Staffing Firm** means the organization(s) first listed in Item 1 of the Declarations, whether as a corporation, partnership, joint venture, association, or otherwise, and any **Staffing Firm Subsidiary**.

- (N) **Staffing Firm Subsidiary** means any organization listed in Item 1(b) of the Declarations if such organization is more than 50% owned by the **Staffing Firm** listed in Item 1(a) of the Declarations. Subject to the provisions contained in Section V(O) of this Policy, **Staffing Firm Subsidiary** shall also include any organization acquired by the **Staffing Firm** listed in Item 1(a) during the Policy Period; *provided, however*, that 1) such acquired organization is more than 50% owned by the **Staffing Firm**; 2) the total number of the acquired organization's employees does not exceed 20% of the total number of the **Staffing Firm's Employees** as of the inception date of this **Policy**; and 3) coverage for such acquisition shall only apply to **Loss** arising from **Wrongful Employment Practices** or **Staffing Services Discrimination** taking place after the acquisition.
- (O) **Staffing Services** means:
- (1) recruitment or selection of **Temporary Workers** for positions with your **Clients** via any medium, including the Internet, by you or any **Insured** on your behalf; and
 - (2) assignment of **Temporary Workers** with your **Clients** in positions as temporary, permanent or leased workers, by you or any **Insured** on your behalf.
- (P) **Staffing Services Discrimination** means any actual or alleged unlawful discrimination, including sexual harassment, or civil rights violation by an **Insured** against any **Temporary Worker** in connection with **Staffing Services**. **Staffing Services Discrimination** shall not include assault or battery.
- (Q) **Temporary Worker** means a person you furnish to **Clients** to work for the **Clients** as permanent employees, temporary employees, or leased employees. For purposes of **Staffing Services Discrimination**, **Temporary Worker** shall also include any individual seeking assignment by the **Staffing Firm**.
- (R) **Wrongful Employment Practice** means any actual or alleged
- (1) violation of any federal, state, local or common law, prohibiting any kind of employment-related discrimination;
 - (2) harassment, including any type of sexual or gender harassment as well as racial, religious, sexual orientation, pregnancy, disability, age, or national origin-based harassment and including workplace harassment by non-employees;
 - (3) abusive or hostile work environment;
 - (4) wrongful discharge or termination of employment, whether actual or constructive;
 - (5) breach of an implied employment contract;
 - (6) wrongful failure or refusal to hire or promote, or wrongful demotion;
 - (7) wrongful failure or refusal to provide equal treatment or opportunities;

- (8) defamation, libel, slander, disparagement, false imprisonment, misrepresentation, malicious prosecution, or invasion of privacy;
- (9) wrongful failure or refusal to adopt or enforce adequate workplace or employment practices, policies or procedures;
- (10) wrongful, excessive or unfair discipline;
- (11) wrongful infliction of emotional distress, mental anguish, or humiliation;
- (12) retaliation, including retaliation for exercising protected rights, supporting in any way another's exercise of protected rights, or threatening or actually reporting wrongful activity of an **Insured** such as violation of any federal, state, or local "whistle blower" law; or
- (13) negligent hiring or negligent supervision of others in connection with (1) through (12) above,

but only if employment-related and claimed by or on behalf of an **Employee**, former **Employee** or **Applicant for Employment**, and only if committed or attempted by any of the **Insureds** in their capacity as such.

IV. EXCLUSIONS

We are not obligated to defend, or pay **Defense Costs** or **Loss** on account of any **Claim**:

- (1) for actual or alleged violations of the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, the Employee Retirement Income Security Act of 1974, any workers' compensation, unemployment insurance, social security, or disability benefits law, other similar provisions of any federal, state, or local statutory or common law, including any **Claim** alleging, in whole or in part, violation of any federal, state or local wage and hour laws or regulations, whether or not such allegations are made in connection with any governmental or administrative proceedings provided, however, 1) this exclusion will not apply to any **Claim** of any actual or alleged retaliatory treatment on account of the exercise of rights pursuant to any such law; and 2) in the event such **Claim** is made by or on behalf of a single claimant or plaintiff and also alleges **Wrongful Employment Practices** or **Staffing Services Discrimination** otherwise covered by this **Policy**, notwithstanding the provisions of DEFENSE AGREEMENT Section II., Underwriters agree to pay **Defense Costs** and/or **Loss** but solely for that portion of the **Claim** involving such **Wrongful Employment Practices** or **Staffing Services Discrimination** allegations and subject to all other terms, conditions and exclusions contained in this **Policy**.
- (2) based upon, arising out of, or attributable to any fact, circumstance, or situation
 - (i) that was the subject of written notice given under any prior policy;

- (ii) that was the subject of any prior or pending written demand for monetary damages, administrative or arbitration proceeding or civil or criminal litigation against any **Insured**, or the same or substantially the same fact, circumstance, or situation underlying or alleged in the prior matter;
 - (iii) that was identified in any summary or statement of **Claims** or potential claims submitted in connection with the **Application**; or
 - (iv) of which any **Insured** who is a principal, officer, director, client, general counsel, human resource manager, or **Employee** with personnel responsibilities, had knowledge prior to inception of the first employment practices liability insurance policy issued to you and continuously renewed by us;
- (3) for **Staffing Services Discrimination** otherwise covered by any **Insured's** errors and omissions policy or general liability policy;
 - (4) based upon, arising out of, or attributable to, the adjudicated criminal or fraudulent act on the part of any **Insured** provided, however, that the criminal or fraudulent act of one **Insured** shall not be imputed to any other **Insured** for purposes of this exclusion;
 - (5) based upon, arising out of, or attributable to, liability of **Clients** or others assumed by the **Insured** under any contract or agreement, except to the extent the **Insured** would have been liable in the absence of the contract or agreement; provided, however, this exclusion shall not apply as respects coverage available under Insuring Agreement C;
 - (6) based upon any wrongful act or omission of any **Insured** serving in any capacity other than as your principal, officer, director, trustee or **Employee**;
 - (7) by any non-**Employee** for bodily injury including assault and battery;
 - (8) by, or on behalf of, your **Clients**.

V. GENERAL CONDITIONS AND LIMITATIONS

(A) Defense and Settlement

We have the right and duty to defend any **Claim** covered by the **Policy** and such obligation is limited to amounts constituting **Defense Costs**.

Our duty to defend any **Claim** will end once the Limit of Liability, as stated in Item 4 of the Declarations, is exhausted by the payment of **Loss** and/or **Defense Costs**. If our duty to defend ends with respect to any **Claim**, we will notify you so that you can arrange to take control of the defense of the **Insureds**. We will take whatever steps are necessary to avoid a default judgment during a transfer of control of the defense of any such **Claim**. If we do so, you agree to repay the reasonable expenses incurred by us during the transfer and further agree that, in undertaking the steps necessary to avoid a default judgment during the transfer, we have not waived any rights under the **Policy**.

We may, with your consent, settle any **Claim** for any monetary amount that we consider reasonable. If you do not give your consent to such settlement, then our liability for all **Loss**, including **Defense Costs**, on account of such **Claim**, will not exceed: 1) the amount for which we could have settled the **Claim** plus **Defense Costs** incurred as of the date we proposed such settlement; plus 2) 30% of covered **Loss** excess of the proposed settlement as long as 70% is borne by the **Insured** at its own risk and uninsured. This provision shall not apply unless the total **Loss**, including the proposed settlement, would exceed the applicable Self-Insured Retention.

The **Insureds** will not incur any **Defense Costs**, settle, or offer to settle any **Claim**, assume any contractual obligation, admit liability, voluntarily make any payment or confess or otherwise consent to any damages or judgments with respect to any **Claim** covered by this **Policy**, if, with regard to settlement, the total **Loss** would exceed the Self-Insured Retention, without our prior written consent, which will not be unreasonably withheld. We will not be liable for any **Defense Costs**, settlement, assumed obligation, admitted liability, voluntary payment, or confessed damages or judgments to which we have not consented.

The **Insureds** will provide full cooperation and all information and particulars that we may request to conduct an investigation, defend a **Claim**, or to reach a settlement of the **Claim**. The **Insureds** agree that in the event of a **Claim**, they will do nothing that may prejudice our position or rights of recovery.

(B) **Notice Provisions**

(1) **Notice of Claim**

The **Insureds** will, as a condition precedent to their rights under this **Policy**, give our Authorized Representatives, as identified in Item 8 of the Declarations, written notice of any **Claim** made against the **Insureds** as soon as practicable, but in no event later than sixty (60) days after the **Claim** is first made or 60 days after any **Insured** who is a principal, partner, officer, director, general counsel, human resource manager, or **Employee** with personnel responsibilities becomes aware that the **Claim** was made. Along with the notice of **Claim**, the **Insureds** will provide our Authorized Representatives, as identified in the Declarations, with copies of all documentation comprising the **Claim** as well as all authorization, cooperation, or assistance as we may require throughout the duration of the **Claim**.

We are not obligated to pay any **Defense Costs** incurred prior to **Claim** notification.

(2) Notice of Potential **Claim**

Solely at the **Insured's** option, the **Insured** may within the **Policy Period** or within the Extended Reporting Period, if purchased, provide us with notice of circumstances that could give rise to a **Claim** for **Wrongful Employment Practices** or **Staffing Services Discrimination**. Such notice shall include the identity of the person(s) involved and the reason the **Insured** believes a **Claim** may be made. If such notice is received by us or by our Authorized Representative within the **Policy Period** or within the Extended Reporting Period, if purchased, then any **Claim** subsequently arising from such circumstances shall be deemed made on the date such notice was received.

(C) **Limit of Liability**

- (1) With respect to Insuring Agreement A, our maximum liability for **Loss** and **Defense Costs** combined on account of each **Claim** first made during the **Policy Period** shall be the Limit of Liability set forth in Item 4(a) of the Declarations. Our maximum liability for **Loss** and **Defense Costs** combined on account of all **Claims** first made during the same **Policy Period** shall be the Limit of Liability for the **Policy Period** set forth in Item 4(e) of the Declarations.
- (2) With respect to Insuring Agreement B, our maximum liability for **Loss** and **Defense Costs** combined on account of each **Claim** made during the **Policy Period** shall be the Limit of Liability set forth in Item 4(b) of the Declarations.
- (3) With respect to Insuring Agreement C, our maximum liability for **Defense Costs** on account of each **Claim** made during the **Policy Period** shall be the Limit of Liability set forth in Item 4(c) of the Declarations.
- (4) Item 4(d) of the Declarations reflects our maximum liability for punitive, exemplary, and multiple damages.
- (5) The amounts indicated in Item 4(b)-(d) of the Declarations will not operate to increase the per **Claim** Limit of Liability indicated in Item 4(a) of the Declarations, the aggregate Limit of Liability indicated in Item 4(e) or the Defense-Only Limit of Liability indicated in Item 4(f) of the Declarations.
- (6) The Limit of Liability for the Extended Reporting Period, if exercised, shall be part of and not in addition to the Limit of Liability for the **Policy Period**. The purchase of the Extended Reporting Period shall not increase or reinstate the Limit of Liability set forth in Items 4(e) and 4(f) of the Declarations, which shall be our maximum liability for all **Loss** and **Defense Costs** on account of all **Claims** first made during such **Policy Period** and Extended Reporting Period, combined.

- (7) **Defense Costs** shall be part of, and not in addition to, the Limits of Liability set forth in Items 4(a)-4(e) of the Declarations, and **Defense Costs** shall reduce the Limits of Liability. Notwithstanding the other provisions of this Section V., if purchased and indicated in Item 4(f) of the Declarations, an additional Limit of Liability shall apply for coverage of **Defense Costs** only (referred to as the “Defense-Only Limit”). This Defense-Only Limit shall apply to **Defense Costs** in the first instance, leaving the original Limit of Liability as indicated in Items 4(a)-4(e) of the Declarations to apply second to: (1) **Defense Costs** incurred in excess of, and after exhaustion of, the Defense-Only Limit and/or (2) any **Loss**, such as damages, judgements, settlements verdicts, and awards, until the original Limit of Liability is exhausted.

In no event shall the Defense-Only Limit apply to **Loss**, and in no event shall we be obligated to pay more than the original Limit of Liability indicated in Items 4(a)-4(e) of the Declarations toward **Loss**.

In no event shall our obligations under the **Policy** exceed the combination of the original Limit of Liability in Item 4 of the Declarations plus the Defense-Only Limit indicated in Item 4(f) of the Declarations. If a Defense-Only Limit is purchased, references in other parts of Section V. to “Limit of Liability” shall refer to the combination of the original Limit of Liability and the Defense-Only Limit, subject to all other limitations and conditions of coverage.

Purchase of the Defense-Only Limit shall not alter your Self-Insured Retention obligations.

(D) **Self-Insured Retention and Co-Payment**

- (1) Our liability with respect to **Loss** and **Defense Costs** arising from each **Claim** shall apply only to that part of **Loss** and **Defense Costs** in excess of the Self-Insured Retention amount set forth in Item 5 of the Declarations. Such Self-Insured Retention amount will be applied only to **Loss** and **Defense Costs** and shall be your uninsured responsibility.
- (2) The Self-Insured Retention amount applies to each **Claim** or **Interrelated Claims**, regardless of the number of claimants.
- (3) If, prior to the termination of any **Employee**, the **Staffing Firm** obtains and adopts the written advice of legal counsel recommended or approved by us as respects such termination, then the Self-Insured Retention amount stated in Item 5 of the Declarations shall be reduced by 25% for any **Claim** commenced by that **Employee** arising from the events of the termination; *provided, however*, that no such reduction shall apply in connection with those terminations that result from any reduction in force, systematic lay-off or closure of any office or facility you own or operate.

(4) With respect to **Defense Costs** and **Loss** excess of the Self-Insured Retention amount originating in any one **Policy Period**, the **Staffing Firm** will be responsible, uninsured, for the percentage of such **Defense Costs** and **Loss** specified as the Co-payment in Item 6 of the Declarations and we will pay that percentage of **Defense Costs** and **Loss** excess of the Co-payment percentage.

(E) **Other Insurance**

Except as provided in Subsection IV(3), and unless expressly written to be excess over other insurance, this **Policy** is intended to apply as primary insurance for **Defense Costs** or **Loss** covered by this **Policy**. As to coverage for **Claims** against **Leased Employees**, this **Policy** applies excess of all indemnification and insurance available to any **Insured** from or through the leasing company. As to coverage for **Claims** against your **Client(s)**, this **Policy** applies excess of all indemnification and insurance that may otherwise be available to that **Client**. Nothing in this provision shall prevent Underwriters or the **Insureds** from seeking contribution or coverage from any other insurer or indemnitor.

(F) **Spousal Extension**

If a **Claim** against an **Insured** includes a claim against the lawful spouse of such **Insured** solely by reason of (a) such spousal status, or (b) such spouse's ownership interest in property or assets that are sought as recovery for **Wrongful Employment Practices** or **Staffing Services Discrimination**, any such claim shall be deemed to be a **Claim** against an **Insured**.

All terms and conditions of this **Policy**, including the Self-Insured Retention, will be applicable to such **Claim**.

The extension of coverage afforded by this Section V(F) shall not apply to the extent the **Claim** alleges any wrongful act or omission by such spouse.

(G) **Representations and Severability**

In issuing this **Policy**, we relied upon the statements and representations in the **Application** and upon any declarations and statements in any written application submitted to another insurer with respect to any policy of which this **Policy** is a renewal or reassignment. The **Insureds** represent that all such statements and representations are true and deemed material to the acceptance of the risk or the hazard assumed by us under this **Policy**. This **Policy** is issued in reliance upon that information.

The **Insureds** agree that in the event any such statements or representations are untrue, this **Policy** will not afford any coverage with respect to any of the following **Insureds**:

- (1) any **Insured** who knew the facts that were not truthfully disclosed in the **Application**, and
- (2) you, if any principal, officer, director, or **Employee** with responsibility for personnel, knew the facts that were not truthfully disclosed,

whether or not such **Insured** knew that the **Application** contained an untruthful disclosure.

(H) **Authorization Clause**

By acceptance of this **Policy**, you agree to act on behalf of the **Insureds** with respect to the giving and receiving of notice of **Claim** or cancellation, the payment of premiums, and the receiving of any return premiums that may become due under this **Policy**, the agreement to and acceptance of endorsements and the giving or receiving of any notice provided for in this **Policy** and the **Insureds** agree that you will act on their behalf.

(I) **Subrogation**

In the event of any payment under this **Policy**, we will be subrogated to the extent of such payment to all of your and the **Insured's** rights of recovery. You and the **Insureds** will execute all required papers and do everything necessary to secure and preserve such rights.

(J) **Alteration and Assignment**

This **Policy** cannot be changed, modified, or assigned without our written, signed endorsement.

(K) **Territory**

Coverage under this **Policy** will extend to **Wrongful Employment Practices** and **Staffing Services Discrimination** taking place and **Claims** made anywhere in the world.

(L) **Action Against Underwriters**

No action shall lie against us unless, as a condition precedent thereto, there shall have been full compliance with all terms of this **Policy**. No person or organization shall have any right under this **Policy** to join us as a party to any action against **Insureds** to determine the **Insured's** liability nor shall we be impleaded by the **Insureds** or their legal representatives.

(M) **Arbitration**

It is agreed that any dispute, controversy, or claim arising out of or relating to this **Policy** or its breach, termination, or invalidity, will be submitted either: (1) to final and binding arbitration; or (2) to non-binding mediation, whichever you and the **Insureds** shall select, pursuant to such rules and procedures as the parties may agree. If the parties cannot agree, the arbitration or mediation shall take place in New York and be administered by the American Arbitration Association in accordance with its then prevailing commercial arbitration/mediation rules. In the event of arbitration, the panel shall consist of one arbitrator selected by you, one arbitrator selected by us, and a third independent arbitrator selected by the first two arbitrators. In any such arbitration or mediation, each party will bear its own legal fees and expenses.

(N) **Service of Suit**

In the event that any non-binding mediation taking place in accordance with Section V(M) does not resolve disputes arising out of or related to this **Policy**, we agree, at your request or the request of any **Insured**, to submit to the jurisdiction within the United States and we will comply with all requirements necessary to give such court jurisdiction. Nothing in this section 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 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 firm shown under Item 9 of the Declarations, and that in such suit instituted against any of the Underwriters of this **Policy**, we will abide by the final decision of such court or of any appellate court in the event of an appeal.

The firm shown under Item 9 of the Declarations is authorized and directed to accept service of process on our behalf in any such suit, and/or upon the request of any **Insured**, to give a written undertaking to such person or entity that they will enter a general appearance upon our behalf in the event such a suit is instituted.

Further, pursuant to the statute of any state, territory or district of the United States which makes provision therefor, we hereby designate the Superintendent, Commissioner, or Director of Insurance or other officer specified for that purpose in the statute, or his or her 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 any **Insured** or any beneficiary hereunder arising out of this **Policy** and hereby designate the firm shown under Item 9 of the Declarations as the firm to whom the said officer is authorized to mail such process or a true copy thereof.

(O) **Changes in Exposure**

- (1) If, during the **Policy Period**, the total number of your **Employees** increases by more than 25%, or ten (10) **Employees**, whichever is greater, as a result of your merger(s) with or acquisition(s) of any other entity, the **Staffing Firm** must give us notice of such increase as soon as practicable but in any event within forty-five (45) days. We will be entitled to impose such amended coverage terms and adjust the premium as we may require.
- (2) Neither death, bankruptcy nor insolvency of any **Insured**, nor dissolution of the **Staffing Firm**, will relieve us of any obligations under the **Policy**.
- (3) If, during the **Policy Period**, you acquire 50% or more ownership in an organization and the number of acquired employees exceeds 20% of the total number of the **Staffing Firm's Employees** as of the inception date of this Policy then that organization shall be considered a **Staffing Firm Subsidiary** but only if you give us notice of such acquisition as soon as practicable but in any event within forty-five (45) days after such acquisition, and only if such organization is added to the Declarations by endorsement. Coverage for such **Staffing Firm Subsidiary** shall only apply to **Loss** arising from **Wrongful Employment Practices** or **Staffing Services Discrimination** taking place after the acquisition.

(P) **Extended Reporting Period**

In the event of non-renewal or cancellation of this **Policy**, you shall have the right, upon payment of an additional premium of 100% of the annual premium charged for the non-renewed or cancelled **Policy**, to an extension of the coverage available under this **Policy** for a period of twelve (12) months following the effective date of such non-renewal or cancellation, or 150% for a twenty-four (24) month extension, or 175% for a thirty-six (36) month extension, but only with respect to **Claims** otherwise covered by this **Policy** and only for **Wrongful Employment Practices** or **Staffing Services Discrimination** taking place prior to the effective date of such non-renewal or cancellation.

A written request for the Extended Reporting Period must be received by us within fifteen (15) days from the effective date of the non-renewal or cancellation. The premium due for the Extended Reporting Period must be received by us within thirty (30) days of such effective date. The entire premium for the Extended Reporting Period shall be deemed fully earned and non-refundable upon payment.

(Q) **Non-Renewal**

If we decide not to renew this **Policy**, we will mail or deliver to the **Staffing Firm** written notice of non-renewal not less than sixty (60) days before the expiration date. If the notice is mailed, proof of mailing will be sufficient notice of non-renewal.

(R) **Cancellation**

You may cancel this **Policy** by mailing written notice to us stating when thereafter such cancellation shall be effective. We may cancel this **Policy** only for non-payment of premium. Non-receipt by us of such premium by the 60th day from the inception of this **Policy**, shall render this **Policy** void with effect from inception.

If you cancel, earned premium shall be computed in accordance with the standard short rate table, but in no event will earned premium be less than twenty-five percent (25%) of the total premium indicated in the Declarations. If we cancel, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

(S) **Liberalization Clause**

In the event the identical unendorsed policy form is amended by us subsequent to the inception date of this **Policy** such that the coverage under such identical unendorsed policy form is broader as a result of the amendments, this **Policy** shall be construed to include the broadened coverage.

**THIS IS A CLAIMS MADE POLICY WITH DEFENSE COSTS INCLUDED IN THE LIMIT OF LIABILITY.
PLEASE READ THE ENTIRE POLICY CAREFULLY.**

DECLARATIONS

STAFFING FIRM EMPLOYMENT PRACTICES LIABILITY INSURANCE

Insurance is provided by: Various Insurers as per attached Schedule

POLICY NUMBER:

NOTICE: THIS IS A CLAIMS MADE POLICY THAT APPLIES, SUBJECT TO ITS TERMS, ONLY TO “CLAIMS” FIRST MADE DURING THE “POLICY PERIOD,” OR, IF PURCHASED, ANY EXTENDED REPORTING PERIOD AND REPORTED WITHIN THE TIME SPECIFIED. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED BY “DEFENSE COSTS” AND “DEFENSE COSTS” WILL BE APPLIED AGAINST THE SELF-INSURED RETENTION. THESE DECLARATIONS, THE COMPLETED, SIGNED APPLICATION, AND THE POLICY WITH ENDORSEMENTS SHALL CONSTITUTE THE CONTRACT BETWEEN THE INSURERS AND THE INSURED.

ITEM 1(a). STAFFING FIRM Name: Address:	ITEM 1(b). STAFFING FIRM SUBSIDIARIES	ITEM 2. POLICY PERIOD: Inception Date: Expiration Date: at 12:01 a.m. both dates at the Principal Address in ITEM 1.
ITEM 3. “X” Indicates COVERAGE PURCHASED ____ Insuring Agreement A ____ Insuring Agreement B ____ Insuring Agreement C	ITEM 4. LIMIT OF LIABILITY (inclusive of Defense Costs): (a) \$ _____ Maximum Limit of Liability for Insuring Agreement A. (b) \$ _____ Maximum Limit of Liability for Insuring Agreement B. (c) \$ _____ Maximum Limit of Liability for Insuring Agreement C. (d) \$ _____ Punitive, exemplary, and multiple damages Limit of Liability. (e) \$ _____ Maximum aggregate Limit of Liability for all Claims. (f) \$ _____ Defense-only Limit of Liability	
ITEM 5. SELF-INSURED RETENTION: \$ _____ Each and every Claim		
ITEM 6. CO-PAYMENT PERCENTAGE: ____ % of Defense Costs and Loss in excess of the Self-Insured Retention shall be uninsured.		
ITEM 7. PREMIUM: \$ _____ Premium	ITEM 8. AUTHORIZED REPRESENTATIVES: Kaufman, Borgeest & Ryan 99 Park Avenue New York, NY 10016 Attention: Julianna Ryan Tel: (212) 980 – 9600 Fax: (212) 980 – 9291 E-mail: JRyan@KBRny.com	
ITEM 9. SERVICE OF SUIT:		

Dated in London this day of