

Investment Adviser and Mutual Fund Professional and Directors and Officers Liability Policy



THIS POLICY PROVIDES CLAIMS-MADE COVERAGE. CLAIMS MUST FIRST BE MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF PURCHASED. THE PAYMENT OF CLAIM EXPENSES REDUCES THE LIMIT OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

Words and phrases that appear in quotations have special meaning. Refer to Section VI. Definitions.

Coverage applies only under each Insuring Agreement indicated as purchased in Item 8. of the Declarations.

In consideration of the payment of the premium by the "Insureds" and in reliance upon the statements in the "Insureds" Application and its attachments and any materials submitted therewith, all of which are made a part hereof, Steadfast Insurance Company ("the "Company") agrees with the "Insureds", subject to the Declarations and the limitations, conditions, provisions and terms of this Policy (including any endorsements hereto), as follows:

I. INSURING AGREEMENTS

COVERAGE A: INVESTMENT ADVISER PROFESSIONAL LIABILITY AND CORPORATE REIMBURSEMENT

The "Company" shall pay on behalf of the "Investment Advisers" and their "Individual Insureds" all "Loss" which they shall become legally obligated to pay resulting from any "Claim" first made against them during the "Policy Period" or the Extended Reporting Period (if applicable) for any "Wrongful Act" occurring prior to the end of the "Policy Period", but solely in rendering or failing to render "Investment Advisory Services".

COVERAGE B; MUTUAL FUND PROFESSIONAL LIABILITY AND DIRECTORS AND OFFICERS LIABILITY AND CORPORATE REIMBURSEMENT

The "Company" shall pay on behalf of the "Funds" and their "Individual Insureds" all "Loss" which they shall become legally obligated to pay resulting from any "Claim" first made against them during the "Policy Period" or the Extended Reporting Period (if applicable) for any "Wrongful Act" occurring prior to the end of the "Policy Period", but solely in the course of the management or operations of the "Funds".

COVERAGE C: SERVICE PROVIDER PROFESSIONAL LIABILITY AND CORPORATE REIMBURSEMENT

The "Company" shall pay on behalf of the "Service Providers" and their "Individual Insureds" all "Loss" which they shall become legally obligated to pay resulting from any "Claim" first made against them during the "Policy Period" or the Extended Reporting Period (if applicable) for any "Wrongful Act" occurring prior to the end of the "Policy Period", but solely in rendering or failing to render "Professional Services" in the course of the "Entity Insured's" business as a "Service Provider".

COVERAGE D: OPERATIONAL FAILURE

The "Company" shall reimburse the "Insured" for all "Loss" which the "Insured" pays with the "Company's" written consent to avoid or reduce financial loss to a customer resulting from a "Wrongful Act" in rendering or failing to render "Investment Advisory Services" in the course of the "Entity Insured's" business as an "Investment Adviser", but only if: (1) written notice of such "Wrongful Act" is given to the "Company" within 60 days of the occurrence thereof (but in no event after the end of the "Policy Period" or Extended Reporting Period, if applicable); (2) such "Wrongful Act" arose in the ordinary course of the "Entity Insured's" operations and, if not corrected, would have resulted directly in a financial loss to the "Entity Insured's" customer; and (3) such financial loss, in the absence of such correction, would have resulted in a valid "Claim" against the "Insureds" covered under this Policy.

The "Insureds" and the "Company" agree that it is their intention that Coverage D operates to reduce or avoid in an expeditious and economic fashion monetary liability from a "Claim" which would have been made against the "Insureds", and that Coverage D does not afford any coverage to the extent that any sum paid by the "Insured" constitutes an ex-gratia settlement or a commercial settlement to support the "Insureds'" reputation or business relationships.

COVERAGE E: DIRECTORS AND OFFICERS LIABILITY (WITH ENTITY COVERAGE)

The Company shall pay on behalf of the "Entity Insureds" and their "Executive Insureds" all "Loss" which they shall become legally obligated to pay resulting from any "Claim" first made against the "Executive Insureds" solely in their capacity as "Executive Insureds" and the "Entity Insureds" during the "Policy Period" or the Extended Reporting Period (if applicable) for any "Wrongful Act" occurring prior to the end of the "Policy Period" (except for "Claims" that are or would be covered under Insuring Agreements A, B or C, if purchased, even if such Coverage was not actually purchased).

II. DEFENSE AND SETTLEMENT

A. It shall be the duty of the "Insureds" and not the duty of the "Company" to defend "Claims" against the "Insureds". With respect to any Insuring Agreement purchased, the "Company" shall pay subject to the applicable Deductible(s) the "Insureds" "Claim Expenses" as incurred.

The "Insureds" shall not settle any "Claim", consent to any judgment, incur any "Claim Expenses" or otherwise assume any contractual obligation or admit any liability with respect to any "Claim" without the "Company's" written consent, which consent shall not be unreasonably withheld. The "Company" shall not be liable for any settlement, "Claim Expenses", assumed obligation or admitted liability to which it has not consented.

The "Company" shall have the right and shall be given the opportunity at all times to associate effectively with the "Insureds" in the investigation, defense and negotiation of settlement of any "Claim" that appears reasonably likely to be covered in whole or in part by this Policy.

The "Insureds" agree to provide the "Company" with all information, assistance and cooperation which the "Company" reasonably requests, and the "Insureds" agree that in the event of a "Claim" they will do nothing that shall prejudice the "Company's" position or its potential or actual rights of recovery.

The "Company" may make any investigation it deems necessary and may, with the written consent of the "Insureds", settle any "Claim". The "Insureds" shall not unreasonably withhold such consent.

B. "Claim Expenses", which are part of "Loss", are subject to and not in addition to the Limit of Liability set forth in Item 3. of the Declarations, and the payment by the "Company" of "Claim Expenses" reduces such Limit of Liability.

III. POLICY TERRITORY

The insurance afforded by this Policy applies worldwide.

IV. LIMIT OF LIABILITY

A. Limit of Liability

The amount stated in Item 3. of the Declarations as the aggregate Limit of Liability shall be the maximum liability of the "Company" under this Policy for all "Loss" from all "Claims", regardless of the number of "Claims".

B. Deductible

The "Company" shall be liable for "Loss" resulting from any "Claim" only in excess of the applicable Deductible amount stated in Item 4. of the Declarations. Except as provided below, a single Deductible shall apply to all "Loss" resulting from all "Claims" arising out of the same "Wrongful Act" and all "Interrelated Wrongful Acts".

The Deductible stated in Item 4. of the Declarations as the "Entity Insured's" Deductible shall apply to any "Claim" made:

1. against "Entity Insureds"; or
2. against any "Individual Insureds" in which the "Entity Insureds" are permitted or required to indemnify such "Individual Insureds" for "Loss".

The "Individual Insured's" Deductible shall apply to "Individual Insureds" in a "Claim" only if the "Entity Insureds" have not indemnified and are neither permitted nor required to indemnify the "Individual Insureds" for "Loss" resulting from such "Claim". In any "Claim" made against one or more "Individual Insureds", each "Individual Insured" for whose "Loss" the "Entity Insureds" have not indemnified and are neither permitted nor required to indemnify shall severally be responsible to pay an "Individual Insured's" Deductible.

In any "Claim" against both (i) one or more "Individual Insureds" and (ii) one or more "Entity Insureds", in which the "Entity Insureds" are neither permitted nor required to indemnify such "Individual Insureds" for "Loss", the "Entity Insured's" Deductible shall apply with respect to the "Entity Insureds", and the "Individual Insured's" Deductible shall apply to the "Individual Insureds".

In no event shall the total Deductible payments due from all "Insureds" with respect to each "Claim" exceed the amount of the "Entity Insured's" Deductible stated in Item 4.

C. Multiple Claims

All "Claims" arising out of the same "Wrongful Act" and all "Interrelated Wrongful Acts" shall be deemed one "Claim", and such "Claim" shall be deemed to have originated at the earlier of:

1. the earliest time any "Claim" was first made against any "Insured" alleging any such "Wrongful Act" or "Interrelated Wrongful Acts"; or
2. the earliest time written notice was given to any insurer of any "Wrongful Act" or any fact, circumstance, situation, event, transaction or cause underlying any such "Claim".

V. EXTENSIONS

A. Spousal Liability

If a "Claim" against an "Individual Insured" includes a claim against the "Individual Insured's" lawful spouse solely by reason of (1) such spouse's status as a spouse of an "Individual Insured" or (2) such spouse's ownership interest in property which the claimant seeks as recovery for any "Wrongful Act" of the "Individual Insured", all loss which the spouse becomes legally obligated to pay by reason of such claim shall be treated for purposes of this Policy as "Loss" which the "Individual Insured" becomes legally obligated to pay on account of the "Claim" against the "Individual Insured". Such spousal loss shall be covered under this Policy only if and to the extent such loss would be covered if incurred by the "Individual Insured". The coverage extension afforded by this Section V.A. does not apply to any "Claim" alleging any wrongful act or omission by the "Individual Insured's" spouse.

B. Extended Reporting Period

If the "Company" or the "Insureds" shall cancel or refuse to renew this Policy for reasons other than non-payment of premium, the "Entity Insured" shall have the right, upon payment of the additional premium calculated at the percentage shown in Item 6. of the Declarations, to an extension of the coverage granted by this policy for the period set forth in Item 6. of the Declarations (Extended Reporting Period) following the effective date of cancellation or the Policy expiration date, but only with respect to any "Wrongful Act" taking place prior to the effective date of cancellation or the Policy expiration date. This right of extension shall lapse unless written notice of such election, together with payment of the additional premium due, is given by the "Named Insured" to the "Company" within thirty (30) days following the effective date of cancellation or the Policy expiration date. All written notices and accompanying premium payments must be sent to the attention of the "Company" at the address stated in Conditions Section VIII.A.1. below.

The offer of renewal terms and conditions or premiums different from those in effect prior to renewal shall not constitute refusal to renew.

At the commencement of the Extended Reporting Period, the entire premium therefor shall be deemed fully earned and non-refundable. If this Policy is extended by the Extended Reporting Period, such extension shall not in any way increase or reinstate the Limit of Liability set forth in the Declarations.

VI. DEFINITIONS

- A. "Claim" means any written demand received by the "Insured" for monetary damages, any investigation initiated against an "Insured" by the filing of charges or a formal investigative order, or any civil or criminal proceeding initiated against an "Insured", for a "Wrongful Act" by the "Insured".
- B. "Claim Expenses" means any reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a "Claim" (including the cost of appeal bonds, but the "Company" shall not be obligated to apply for or furnish appeal bonds on behalf of the "Insured"), and any reasonable and necessary fees charged by any lawyer designated by the "Company" or by the "Insured" with the written consent of the "Company". "Claim Expenses" shall not include salaries or wages of regular employees or officials of the "Insured" or the "Company".
- C. "Entity Insureds" means the "Insured" designated in Item 1. of the Declarations (which shall be referred to herein as the "Named Insured"), the "Funds", the "Service Providers", and the "Investment Advisers".
- D. "Funds" means:
 1. the investment companies listed in Item 6. of the Application; and

2. any investment company registered under the Investment Company Act of 1940, including any portfolio of an investment company created or sponsored by an "Entity Insured" after the inception date of this Policy, but only for the period set forth in Item 8. of the Declarations from the date the securities of such investment company or portfolio are first sold to the public unless the "Company", in its sole discretion and upon receipt of whatever underwriting information and payment of whatever additional premium it requires, endorses this Policy to extend coverage beyond such period for such investment company or portfolio.
- E. "Insureds" means the "Entity Insureds" and the "Individual Insureds".
- F. "Individual Insureds" means the following:
1. any past, present or future partner, officer, director or trustee of the "Entity Insureds" (who shall be referred to herein as "Executive Insureds");
 2. any past, present or future employees of the "Entity Insureds", but solely while providing "Investment Advisory Services" or "Professional Services" on behalf of the "Entity Insured"; and
 3. the heirs, executors, administrators, assigns and legal representatives of each of the above persons in the event of their death, incapacity or bankruptcy.
- G. "Interrelated Wrongful Acts" means all "Wrongful Acts" which are logically or causally connected by reason of any fact, circumstance, situation, event, transaction or cause or series of logically or causally connected facts, circumstances, situations, events, transactions or causes.
- H. "Investment Adviser" means any partnership, trust or corporation that is listed in Item 6. of the Application and which, for compensation, renders "Investment Advisory Services" to others.
- I. "Investment Advisory Services" means financial, economic or investment advice regarding investments or investment management services performed or required to be performed for or on behalf of a customer pursuant to an agreement between such customer and the "Investment Adviser" for a fee, commission or other monetary consideration or other remuneration which inures to the benefit of the "Investment Adviser".
- J. "Loss" means "Claim Expenses", monetary judgments and settlements, including punitive or exemplary damages (except where uninsurable under applicable law), but does not include taxes, fines, penalties, or the multiplied portion of trebled or other multiplied compensatory damages.
- K. "Policy Period" means the period from 12:01A.M. on the Policy inception date of this Policy to 12:01A.M. on the Policy expiration date as set forth in Item 2. of the Declarations, or its earlier cancellation date, if any.
- L. "Professional Services" means the professional services rendered by any "Service Provider" for other "Insureds" for compensation.
- M. "Service Provider" means any partnership, trust or corporation listed in Items 8. or 9. of the Application as a service provider for the "Funds".
- N. "Wrongful Act" means any actual or alleged act, error, omission, neglect, misstatement or misleading statement or breach of duty unintentionally committed by any "Insured" or by any person for whom the "Entity Insured" is legally liable.

VII. EXCLUSIONS

This Policy does not apply to any "Claim" made against any "Insured":

- A. for an accounting of profits in fact made from the purchase or sale by such "Insured" of securities of the "Entity Insured" within the meaning of Section 16(b) of the Securities Exchange Act of 1934 or amendments thereto or similar provisions of any federal, state or local statutory law or common law;
- B. for any dishonest, fraudulent, criminal or malicious act or omission or any willful violation of any statute or regulation committed by such "Insured", if a judgment or other final adjudication adverse to such "Insured" establishes such dishonest, fraudulent, criminal or malicious act or omission or willful violation;
- C. based upon, arising out of or attributable to such "Insured" gaining in fact any personal profit, remuneration or advantage to which such "Insured" was not legally entitled, if a judgment or other final adjudication adverse to such "Insured" establishes such personal profit, remuneration or advantage to which such "Insured" was not legally entitled;
- D. based upon, arising out of or attributable to any fact, circumstance or situation which has been the subject of any written notice given under any policy of which this Policy is a renewal or replacement;

- E. based upon, arising out of or attributable to any demand, suit or proceeding pending, or order, decree or judgment entered, on or prior to the Policy inception date, or any "Wrongful Act" underlying or alleged therein, including any "Interrelated Wrongful Acts";
- F. brought or maintained by, on behalf of or in the right of any "Insured" in any capacity except:
 - 1. any derivative action on behalf of the "Entity Insured" or any shareholder class action, where such action is brought and maintained by one or more persons who are not "Individual Insureds" and who bring and maintain the "Claim" without the solicitation, assistance or active participation of any "Entity Insured" or any "Individual Insured";
 - 2. any "Claim" brought or maintained by any "Individual Insured" for contribution or indemnity, if the "Claim" directly results from another "Claim" covered under this Policy; or
 - 3. any "Claim" by any "Fund" where, in the opinion of independent legal counsel selected by and at the expense of an "Entity Insured" (selection of such counsel being subject to the approval of the "Company", such consent not to be unreasonably withheld), the failure to make such "Claim" would result in liability upon the directors, officers, partners, or trustees of the "Fund", for failure to assert such "Claim".
- G. for actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 or amendments thereto or similar provisions of any federal, state or local statutory law or common law upon fiduciaries of any pension, profit sharing, health and welfare or other employee benefit plan or trust established or maintained for the purpose of providing benefits to employees of the "Entity Insured";
- H. for actual or alleged bodily injury, mental anguish, emotional distress, sickness, disease or death of any person, libel or slander, or damage to or destruction of any tangible property including loss of use thereof;
- I. based upon, arising out of or attributable to rendering or failing to render advice or other services to clients of any "Insured" in connection with any merger, acquisition, restructuring or divestiture; provided, however, this exclusion shall not apply to "Loss" under Coverage A. for the "Entity Insured's" activities of managing securities portfolios, giving financial advice or investment management services relating to or in connection with investing in securities of entities which are involved in any merger, acquisition, restructuring or divestiture, as long as the "Entity Insured" is not a participant in such transaction;
- J. for any "Wrongful Act" concerning any "Fund" or portfolio of any "Fund" occurring prior to the date the registration statement for such "Fund" or portfolio was declared effective by the Securities and Exchange Commission or by any other similar agency or authority in any other jurisdiction;
- K. for service by the "Individual Insured" in any position or capacity in any organization other than the "Entity Insured", even if the "Entity Insured" directed or requested the "Individual Insured" to serve in such other position or capacity, except to the extent such coverage is otherwise provided by written endorsement to this Policy;
- L. by any present or former employee or applicant for employment based upon, arising out of or attributable to any actual or alleged wrongful dismissal, discharge or termination of employment (whether actual or constructive), discrimination or harassment in employment (whether based upon race, age, sex, age, national origin, religion, disability, sexual preference or any other classification deemed inappropriate under applicable federal, state or local law), wrongful deprivation of career opportunity, failure to employ or promote, wrongful discipline, negligent evaluation, libel, slander, or other defamation, invasion of privacy or loss of consortium;
- M. for actual or alleged breach of contract; provided, however, this exclusion shall not apply to any "Claim" for rendering or failing to render "Investment Advisory Services" or "Professional Services";
- N. based upon, arising out of or attributable to any "Insured's" activities as an Underwriter, Broker or Dealer (as defined below), provided, however, this exclusion shall not apply to the underwriting, distribution or resale of securities purchased directly from a "Fund" by a "Service Provider" for resale to any broker or dealer;

"Underwriter" means any person who has purchased from an issuer (which shall include any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, an issuer) with a view to, or offers or sells for an issuer in connection with, the distribution of any security, or participates or has a direct or indirect participation in any such undertaking, or participates or has a participation in the direct or indirect underwriting of any such undertaking; but does not mean a person who merely receives a usual and customary distributors' or sellers' commission.

"Broker" means any person engaged in the business of effecting transactions in securities for the account of others.

"Dealer" means any person engaged in the business of buying and selling securities for his own account, through a broker or otherwise.

- O. based upon, arising out of or attributable to: any injury or damage which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "Pollutants" at any time; any request, demand or order that any "Insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "Pollutants"; any action brought by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of "Pollutants".

"Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid alkalis, chemicals, asbestos, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

No fact pertaining to or knowledge possessed by any "Individual Insured" shall be imputed to any other "Individual Insured" for purposes of applying any exclusions set forth in this Section VI.

VIII. CONDITIONS

A. Duties in the Event of Claim

1. Notice of Claims

No obligation will arise on the part of the "Company" under this Policy unless and until the "Insured" gives written notice of a "Claim" as soon as practicable, but in no event later than 60 days after the "Claim" is first made against the "Insured", to the "Company" at the following address:

Steadfast Insurance Company
One Liberty Plaza, 30th Floor
New York, New York 10006
Attention: Professional Liability
Claims Department

Written notice must include any and all documents received by the "Insured" or by the "Insured's" representatives at the time the "Claim" was first made against the "Insured".

2. Notice of Specific Wrongful Acts

If during the "Policy Period" or the Extended Reporting Period (if applicable) the "Insured" shall first become aware that any "Insured" has committed a specific "Wrongful Act" and give written notice to the "Company" at the address set forth in A.1. above of the following:

- a. the identity of each "Insured" who committed the "Wrongful Act";
- b. a detailed description of the "Wrongful Act";
- c. the damage which resulted, or may result, from the "Wrongful Act";
- d. the circumstances by which the "Insured" first became aware of the "Wrongful Act"; and
- e. the names of all potential claimants,

then any "Claim" thereafter made against the "Insured" arising out of such "Wrongful Act" shall be deemed for the purposes of this insurance to have been made on the date on which the written notice was mailed or otherwise sent to the "Company".

B. Acquisitions, Mergers and Material Changes

In the event that after the inception of this Policy the "Entity Insured":

1. acquires all or substantially all the assets of another organization, or
2. merges with another organization such that the "Entity Insured" is the surviving organization, or
3. otherwise changes its business as described in the Application in a manner material to the risk underwritten by the "Company",

then no coverage shall be afforded under this Policy for the assets acquired by the "Entity Insured", the "Wrongful Acts" of the organization merged with, acquired by or created by the "Entity Insured", or the changed business activities of the "Entity Insured", unless and until:

1. the "Insured" provides written notice of the aforementioned event to the "Company" not more than thirty (30) days after the effective date thereof;
2. the "Insured" provides the "Company" with such information in connection therewith as the "Company" may deem necessary;
3. the "Insured" accepts any special terms, conditions, exclusions or additional premium charge required by the Company; and
4. the "Company" in its sole discretion specifically agrees in writing to provide such coverage.

If the "Company" does agree to provide coverage for the newly purchased or created organization or subsidiary, or for the "Entity Insured's" changed business activities, such coverage will be only for "Wrongful Acts" first committed following the effective date of the aforementioned event.

For purposes of this Section VIII., organization shall mean any corporation, trust, partnership or other form of organization not identified as an "Entity Insured".

C. Conversion to Run-Off in Event of Certain Transactions

1. If during the "Policy Period" there shall occur a change in control of any "Investment Adviser", then coverage under this Policy shall continue until the expiration date of this Policy or the Extended Reporting Period (if applicable), but shall not apply to "Wrongful Acts" by such "Investment Adviser" and its "Individual Insureds" occurring after such change in control.
2. If during the "Policy Period" there shall be a change in the majority of the "Executive Insureds" of any "Fund", or if any "Fund" shall cease to exist, terminate operations or be liquidated, or if any "Fund" shall be merged, consolidated or otherwise combined with another entity, or if the "Investment Adviser" or "Service Provider" of any "Fund" ceases to act as such, then coverage shall continue until the expiration date of this Policy or the Extended Reporting Period (if applicable), but with respect to the "Fund" which underwent such event shall not apply to "Wrongful Acts" occurring after such event.
3. If during the "Policy Period":
 - a. the "Named Insured" merges into or consolidates with another organization, or sells all or substantially all of its assets to any other person, organization, or group of persons or organizations acting in concert; or
 - b. another organization, or person or group of organizations or persons acting in concert acquires securities or voting rights which result in ownership or voting control by the other organization(s) or person(s) of more than 50% of the outstanding securities representing the present right to vote for the election of directors of the "Named Insured";then coverage shall continue until the expiration date of this Policy or the Extended Reporting Period (if applicable), but shall not apply to "Wrongful Acts" occurring after such merger, consolidation or acquisition.

D. Application

By acceptance of this Policy, the "Insureds" agree that the statements in the Application and all attachments to the Application are true and correct representations, that each such representation shall be deemed material, that this Policy is issued in reliance upon the truth of such representations, and that this Policy embodies all agreements existing between the "Insureds" and the "Company", or any of its representatives, in connection with this Policy.

In the event the Application, including materials submitted or required, contains any misrepresentation:

1. made with the intent to deceive, or
2. which materially affects either the acceptance of the risk or the hazard assumed by the "Company" under the Policy;

this Policy shall be void and of no effect whatsoever only as to any of the "Individual Insureds" who are responsible for or who had knowledge of such misrepresentation. Such responsibility or knowledge shall not be imputed to any other "Individual Insureds" for the purposes of determining the availability of coverage.

E. Other Insurance

This insurance shall be in excess of the amount of the applicable Deductible herein, and over any other valid and collectible insurance available to the "Insured" whether such other insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise, unless such other insurance specifically applies as excess insurance over the Limit of Liability set forth in Item 3. of the Declarations of this Policy.

F. Changes

Neither notice to nor knowledge possessed by any representative acting on behalf of the "Company", nor any conduct by any such representative, shall be construed as a waiver or estoppel against the "Company" for any reason. No right accruing to the "Company", nor any provision of this Policy, shall be waived or changed in any manner other than by express endorsement incorporated into this Policy.

G. Assignment

Assignment of any interest by the "Insured" under this Policy shall not bind the "Company" without its written consent.

H. Cancellation

This Policy may be canceled by the "Insured" by surrendering the Policy to the "Company", or by mailing to the "Company" written notice requesting cancellation and stating when thereafter such cancellation shall take effect. If the Policy is canceled by the "Insured", the "Company" shall retain the customary short rate proportion of the premium.

This Policy may be canceled by the "Company" only for nonpayment of the premium. In that event, the "Company" shall mail written notice to the "Named Insured" at the address shown in Item 1. of the Declarations informing the "Named Insured" of the reason for cancellation and when, not less than ten (10) days from the date the notice is mailed, the cancellation shall take effect.

I. Notice of Nonrenewal

If the "Company" decides not to renew this Policy, the "Company" shall mail written notice to the "Named Insured" at least 60 days prior to the Policy expiration date. The notice shall include the reason for such nonrenewal.

J. Action Against Company

No action shall lie against the "Company" unless there has been full compliance with all of the terms of this Policy, and both the "Insured's" liability and the amount of the "Insured's" obligation to pay has been finally determined either by judgment against the "Insured" after actual trial or by agreement of the "Insured", the Claimant and the "Company", in writing.

Any person or organization, or the legal representative thereof, who has secured a judgment or written agreement as referenced in the preceding paragraph, shall thereafter be entitled to recover under this Policy to the extent the Limit of Liability remains available for payment of "Loss", and to the extent allowed by law.

No person or organization shall have any right under this Policy to join the "Company" as a party to any action against the "Insured" to determine the "Insured's" liability, nor shall the "Company" be impleaded by the "Insured" or any legal representatives thereof.

K. Bankruptcy or Insolvency

Bankruptcy or insolvency of the "Insured" or the "Insured's" estate shall not relieve the "Company" of any of its obligations under this Policy. In the event of the bankruptcy or insolvency of the "Insured", the "Company" shall have the right to assert any appropriate "Claim" or demand in such proceedings for payment of any obligations of the "Insured", including but not limited to, any amounts which the "Company" may advance on behalf of the "Insured" within the Deductible.

L. Subrogation

In the event of any payment under this Policy, the "Company" shall be subrogated to the "Insured's" rights of recovery against any person or organization. The "Insured" shall execute and deliver instruments and papers and do whatever else necessary to secure such rights. The "Insured" shall do nothing to prejudice such rights without first obtaining the written consent of the "Company".

M. Authorization

By acceptance of this Policy, the "Named Insured" agrees to act on behalf of all "Insureds" with respect to giving notices to the "Company" and receiving communications relating to the Policy or to "Claims" thereunder from the "Company".

N. Service of Suit

In the event of failure of the "Company" to pay any amount claimed to be due hereunder, the "Company", at the request of the "Insured", will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the "Company's" rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a 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 any state in the United States. It is further agreed that service of process in such suit may be made upon General Counsel, Law Department, Steadfast Insurance Company, 1400 American Lane, Schaumburg, Illinois 60196-1056, or his or her representative, and that in any suit instituted against the "Company" upon this policy, the "Company" will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provisions therefore, the "Company" hereby designates 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 its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the "Insured" or any beneficiary hereunder arising out of this policy of insurance and hereby designates the above named General Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

SPECIMEN