

Client Insurance Program Summary of Initial Insurance Coverage

SmithBucklin has developed an insurance program for its association management clients (“Program”). Upon a client’s election to participate, SmithBucklin will enroll such organization in the Program and confirm participation in an annual attachment integrated in such client’s service agreement with SmithBucklin.

The following is a summary of the policies and coverages of the Program:

I. Directors and Officers liability

Non-Profit Organization Liability Insurance for associations, while being managed by SmithBucklin Corporation (and their chapters, if such coverage is elected) is provided with a minimum limit of \$1,000,000; unless an exception has been made, and typically a \$2,500 deductible for all claims other than those involving Employment Practices Liability (EPL). Each association has a policy with their own limit of liability. Some associations carry higher limits of liability and/or deductibles.

The policy covers the following:

A. Insured Persons –

- The Entity (nonprofit association or nonprofit corporation).
- Any individual who was, now is, or shall be a past, present or future duly elected or appointed director, officer, trustee, manager, committee member or in-house general counsel; and past present or future employee, or volunteer, or any person acting as an agent with respect to the scope of such agent’s authorized activities for the Entity.
- Coverage is also extended to lawful spouses and domestic partners.
- Outside Directorship: Executive position held by an Insured Person at the specific request of the Organization in any Outside 501(c)(3) of Internal Revenue Code of 1986 or amended Entity; and held by an Insured Person with the approval of any Organization as a director, officer, governor, trustee or committee member of Outside Entity.

B. Wrongful Acts - Any actual or alleged negligent act, error or omission, misstatement, misleading statement, or breach of duty by an insured while performing the Association’s business.

C. Defense Costs - Pays all legal costs incurred in the course of defending a covered lawsuit. Defense is either inside or in additional to the limit of liability depending on the type of association.

D. Publisher’s Liability - Claims arising out of infringement of copyright or trademark or unauthorized use of title; or plagiarism or misappropriation of ideas. This coverage is designed for the newsletters and other printed material by members. It is not intended for an association’s magazine publishing as it does not contemplate some of the issues relating to the publishing of a magazine; subject to policy exclusions.

E. Personal Injury - Libel, slander, defamation of character, or publication of material in violation of a person’s right of privacy; or wrongful entry or eviction or other invasion of the right of privacy; subject to policy exclusions.

F. Employment Practice Liability - Wrongful dismissal, discharge or termination; sexual or workplace harassment; employment related retaliation; wrongful failure to employ or promote; to name a few.

G. Anti-Trust Coverage - No affirmative coverage; subject to policy exclusions.

H. Claim-

- Written demand for monetary damages or non-monetary relief;
- Civil proceeding commenced by the service of a complaint or similar pleading;
- Criminal proceeding commenced by the return of an indictment; or,
- Formal administrative or civil regulatory proceeding commenced by the filing of a notice of charges or similar document, or by the entry of a formal notice of investigation or similar document.

I. Loss - Amount legally liable to pay on account of any claim made against the insured for Wrongful Acts for which the insurance applies, including, but not limited to:

- Damages (including punitive or exemplary damages, if and to the extent that such punitive or exemplary damages are insurable under the law of the jurisdiction most favorable to the insurability of such damages provided such jurisdiction has a substantial relationship to the relevant Insureds, to the Insurer, or to the claim giving rise to the damages);
- Judgments;
- Settlements;
- Pre-judgment and post judgment interest;
- Excess benefit transaction excise taxes; and
- Defense costs.

J. Major Exclusions - claims based upon, alleging or arising out of:

- Gaining of any personal profit or advantage to which the insured is not legally entitled.
- Committing any deliberate or intentional fraudulent or dishonest acts, subject to final adjudication.
- Bodily Injury, sickness, disease or death.
- Breach of contract.
- Criminal abstraction, damage to or destruction of tangible property including loss of use.
- Fiduciary capacity as respects employee benefits plan, including ERISA.
- Violation of statute or ordinance with knowledge or consent of insured.
- Pollution.
- Capacity other than with the organization.
- Criminal proceedings.
- Contractual liability; except liability insured has in absence of an agreement or contract.
- Any written, oral, express, or implied contract or agreement, except Employment Practices
- Liability, and that part of a claim that is defense costs.
- Professional services including Medical Malpractice.
- Violation of work related Acts; except Equal Pay Act.
- Civil or criminal fines or penalties; taxes.
- Any matter deemed uninsurable under law.
- Pending & Prior litigation.
- Nuclear.
- Insured versus Insured.
- Anti-Trust.
- Certification, Accreditation or Standard Setting.

K. Coverage Territory – Worldwide

- L. 12-Month Discovery Period -** Provides a (12) calendar month extension, following the cancellation or non-renewal of the Association's coverage, for reporting only those claims with a loss date prior to the cancellation/expiration date of the policy. An additional cost would apply; which is (75%) of the annual premium. Written notice of the association's intention and payment of the additional premium must be provided to the insurance company within (30) days of the cancellation or non-renewal. This

discovery period does not increase the limit of liability.

For an additional premium, designated chapters of an association can be added. They would share in the liability limit of this coverage for the association.

While these policies might provide some minimal coverage for publication, certification, and standard setting activities, SmithBucklin recommends an association obtain additional, separate policies designed to fully cover it against all risks associated with such activities.

The following is a brief outline of the additional coverages provided for the associations under the management and control of SmithBucklin (including the chapters of such associations, if such coverage is elected). For general liability, the limits below are combined limit for all associations and SmithBucklin.

II. Coverage Anywhere In The World

A. Commercial General Liability - 3rd party liability claims arising out of negligent acts, resulting in bodily injury or property damage, committed at meetings, trade shows, and conventions run by SmithBucklin on behalf of a managed or controlled Association. Protects SmithBucklin, associations, and volunteers

- Bodily Injury (accidental injury, sickness or disease), or Property Damage (to tangible property of others) combined \$1,000,000 per occurrence
- Personal & Advertising Injury (false arrest, libel, slander) \$1,000,000 each offense
- Damage to rented premises (fire legal liability) occurrence \$1,000,000 per occurrence
- Premises Medical Expense (resulting from injury caused by an occurrence) \$10,000 per person in U.S.; \$25,000 per person overseas
- Annual Aggregate other than Products & Completed Operations (maximum payable during the policy period) \$2,000,000
- Annual Aggregate - Products & Completed Operations (maximum payable during the policy period) Incl. in General Agg. in U.S.; \$2,000,000 overseas
- Blanket Contractual Liability (i.e. lease agreements)
- Host Liquor Liability (liability caused by a person served alcohol beverages)
- Employees and volunteers as Insureds (for liability claims arising from your duties in the association)
- Incidental Malpractice (Good Samaritan coverage for non-medical professionals)

B. Hired & Non-Owned Automobile Liability - Protects SmithBucklin & its employees and the association (entity only). For coverage overseas, the insurance has to be obtained from the car rental company each accident \$1,000,000

C. Workers Compensation - Protects SmithBucklin employees Statutory Benefits

- D. Employee Dishonesty** - Protects SmithBucklin employees \$1,000,000 each loss
- E. Umbrella (Excess) Liability** - over & above all General Liability, Auto Liability & Employers Liability coverages, This limit is the most the insurance company will pay during the policy period for all associations combined. \$25,000,000

III. Coverage In The U.S., Its Territories & Possessions: Canada & Puerto Rico

- A. Hired Physical Damage** - Protects SmithBucklin & its employees and the association (entity only). (CDW does not need to be purchased from the rental company for business use of the vehicle. Policy will not protect in the event of an accident outside of business use), per accident. Lesser of Cost of Repair or Actual Cash Value
- B. Miscellaneous Property**- at a meeting, trade show, convention (incidental materials) \$250,000 each loss

IV. Coverage Anywhere In The World except The U.S., Its Territories & Possessions; Canada & Puerto Rico

- A. Foreign Personal Property** - at any location \$100,000
- B. Chapter General Liability** - General Liability Insurance is not included in the program outside of the U.S., its territories & possessions, Puerto Rico and Canada. Insurance can be purchased to cover accidental injury exposures that may occur during regular meetings, or any special event (i.e., conventions, conferences, outings, festivals) for chapters of associations managed and controlled by SmithBucklin Corporation. Coverage can be obtained with similar limits of liability and coverages as in Section II, A on page 3.
- C. Hired Physical Damage** - Protects SmithBucklin & its employees and the association (entity only). Coverage overseas must be purchased from the car rental company. Policy will not protect in the event of an accident outside of business use. \$50,000 any one accident

V. Cyber / Privacy Liability

\$2,000,000 limit (aggregate limit for all coverages) and \$10,000 retention

A. First Party Coverages

1. Crisis Management Event Expense
2. Security Breach Remediation and Notification Expenses - up to 1,000,000 notified persons
3. Computer Program & Electronic Data Restoration
4. E-Commerce Extortion
5. Business Interruption and Audit. Expenses

B. Third Party Coverages

1. Network and Information Security
2. Communication and Media Liability
3. Regulatory Defense Expense, including PCI penalties

C. Expenses - Expenses associated with notifying up to 1,000,000 persons will NOT erode the aggregate limit of liability.

D. Insureds – SmithBucklin is the named insured on this policy. Additional insureds are any client organization that SmithBucklin has agreed to insure pursuant to a written contract (i.e. a participant in the

Program). Coverage will extend to all such organizations, but only with respects to data that is maintained by SmithBucklin's servers or third parties contracting directly with the company.

This is only intended to be a summary of the coverages provided under the SmithBucklin Client Insurance Program. Please refer to the actual insurance policies themselves for the specific terms, conditions or exclusions of all insurance policies. The terms of all insurance policies will control in all respects.

The policies and coverages reflected are subject to change at the reasonable discretion of SmithBucklin prior to an annual renewal and with advance notice to clients.

SmithBucklin reserves the right to modify any of the coverages outlined herein at its discretion inconjunction with an annual renewal and with 30 days' advance notice of any such changes. As requested, SmithBucklin will assist any client with securing replacement coverage if it should elect to opt-out of the SmithBucklin Client Insurance Program.