



Notice – New York (To be attached to the Application and the Policy Declarations)

CLAIMS-MADE DISCLOSURES

1. This **Policy** is written on a claims-made basis.
2. This **Policy** provides no coverage for **Claims** arising out of incidents, occurrences or alleged **Wrongful Acts** which took place prior to the **Retroactive Date** stated in the **Policy**.
3. This **Policy** covers only **Claims** actually made against the **Insured** while the **Policy** remains in effect (or incidents reported to the **Insurer** which may reasonably give rise to a future **Claim** as set forth in the NOTICE section of the **Policy**) and all coverage under the **Policy** ceases upon the termination of the **Policy**, except for the Automatic **Extended Reporting Period** coverage, unless the **Insured** purchases Optional **Extended Reporting Period** coverage.
4. This **Policy** provides for an Automatic **Extended Reporting Period** of 60 days. An Optional **Extended Reporting Period** is also available to the **Insured** for a period of either one, two or three years as set forth in the **EXTENDED REPORTING PERIOD** section of the **Policy**. Potential coverage gaps may arise upon expiration of such **Extended Reporting Period** coverage.
5. During the first several years of a claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and an **Insured** can expect substantial annual premium increases, independent of overall rate level increases, until the claims-made relationship reaches maturity.

DEFENSE WITHIN LIMITS DISCLOSURES

1. The Limits of Liability contained in this **Policy** shall be reduced up to 50% by **Claims Expenses** and, in such event, the **Insurer** shall be liable for **Claims Expenses** (except for those due to any offset against the Retention) exceeding such percentage.
2. **Claims Expenses** that are incurred shall be applied against the Retention up to 50% and, in such event, the **Insurer** shall be liable for **Claims Expenses** (except for those due to any offset against the Limits of Liability) exceeding such percentage.
3. The **Insured** has the right, upon written request, to an accounting of **Claims Expenses** actually expended.