

<Product Name>
EMPLOYMENT EVENT CLAUSE

I. INSURING CLAUSE

The Underwriters shall pay **Employment Event Loss** incurred by the **Insured Organization** solely with respect to an **Employment Event** first occurring during the **Policy Period** or **Optional Extension Period**, if purchased, and reported in writing to the Underwriters as soon as practicable but in no event later than sixty (60) days after the expiration of the **Policy Period** or the last day of the **Optional Extension Period**, if purchased, from first dollar, provided, that the payment of **Employment Event Loss** shall not waive the Underwriters' rights under this Policy or at law. Coverage under this Clause I. shall apply regardless of whether a **Claim** is ever made against an **Insured** arising from such **Employment Event** and, in the case where a **Claim** is made, regardless of whether the **Employment Event Loss** is incurred prior to or subsequent to the making of the **Claim**.

An **Employment Event** commences when the **Insured Organization** or any **Executive Officer** shall first become aware of such **Employment Event**. An **Employment Event** shall conclude ninety (90) days after it first commences or when the **Employment Event** Sublimit has been exhausted.

II. DEFINITIONS

The following terms whenever used in this Clause in boldface type shall have the meanings indicated. Terms not defined below, but appearing in boldface type shall have the meanings indicated in the applicable Clause.

- A. **"Employment Advisor"** means any public relations firm, security firm or mental health professional selected by the **Insured** with the Underwriters' consent, such consent not to be unreasonably withheld.
- B. **"Employment Event"** means any of the following events, which shall be deemed to commence (i) when an **Executive Officer** first believes in good faith that it is more likely than not that such event will occur within the next sixty (60) days, or (ii) with respect to 5. below, when the event occurs, whichever is earlier:
1. layoff/termination of 20% or greater of the **Insured Organization's** workforce;
 2. acquisition of an organization which necessitates a material change in employment status or terms of employment of 20% or greater of the **Insured Organization** workforce;
 3. the public announcement of allegations of discrimination or harassment implicating an **Executive Officer**; or a **Claim** alleging a **Third Party Wrongful Act**;
 4. receipt by the **Insured Organization** of notice that a civil rights organization, public interest group or similar organization is investigating the **Insured Organization** for violations of state or federal employment laws or is distributing literature which accuses the **Insured Organization** of violations of state or federal employment laws;

5. a workplace disaster resulting in loss of life or the imminent threat of or actual use of a lethal weapon which occurs on the **Insured Organization's** premises, including without limitation, flood, fire, or workplace violence.

C. **"Employment Event Loss"** means reasonable fees and expenses charged by an **Employment Advisor** in connection with:

1. advising the **Insured Organization** with respect to minimizing potential loss or liability on account of an **Employment Event**;
2. retaining an independent security consultant or for independent security guard services with respect to an **Employment Event** described in Definition B.1., 2. or 5.;
3. managing or administering disclosures to clients, customers, suppliers, investors or the public regarding an **Employment Event**; or
4. providing counseling to any **Employee** on account of an **Employment Event**

provided, that **Employment Event Loss** shall not include salaries, regular or overtime wages, fees or benefit expenses associated with **Employees** or the **Insured Organization's** overhead expenses.

III. **EMPLOYMENT EVENT SUBLIMIT**

The Employment Event Sublimit shown in Item 4. of the Declarations shall be the maximum aggregate Limit of Liability of the Underwriters for all **Employment Event Loss** resulting from all **Employment Events** which amount shall be part of, and not in addition to, the Employment Practices Liability Clause Limit of Liability shown in Item 4. of the Declarations.