

LLOYD'S

5Star EMPLOYMENT PRACTICES INSURANCE
Effectuated with Certain Underwriters at Lloyd's, London through

5Star SPECIALTY PROGRAMS
CHICAGO, ILLINOIS

Endorsement No.

This endorsement forms a part of insurance policy No.

Policy Effective:
Issued to:

by Certain Underwriters at Lloyd's of London (not incorporated)

Retention Reduction Endorsement

It is agreed that Section IX, Self Insured Self Insured Retention, is amended by adding the following:

- A. The Self Insured Retention shall be decreased by fifty percent for a **Claim**, if either or both of the following conditions are met:
1. Wrongful Termination or Demotion. If the **Claim** is for actual (not constructive) wrongful termination or wrongful demotion of an **Employee**, but only if, prior to the termination or demotion of that **Employee**, you have consulted with and materially complied with the advice of an attorney specializing in employment and labor law. This provision does not apply unless the consultation with such attorney is made sufficiently prior to the termination or demotion such (i) that the attorney has a reasonable length of time to respond to the information provided, furnish counsel and advice and (ii) you have a reasonable length of time to act on the counsel and advice.
 2. Mediation of **Claims**. If a **Claim** is fully and finally resolved to the satisfaction of all parties, including **us**, through mediation, but only if such mediation is initiated and concluded or abandoned prior to commencement of any litigation or arbitration. In the event such mediation does not fully and finally resolve the **Claim**, there shall be no reduction of the Self Insured Retention, and all defense costs incurred in the mediation shall be included in the total **Defense Costs** for the **Claim**.
- B. **You** are responsible for the payment of **Loss** and **Defense Costs** within the Self Insured Retention, including the payment of **Defense Costs** directly to any law firm(s) that **we** have retained on **your** behalf to defend a **Claim**. At the time a **Claim** is reported **we** will advise **you** of the name of any law firm **we** have retained on **your** behalf and advise them that they are to bill **you** directly for the Self Insured Retention amount.
- C. We have no obligation, either to **you** or to any other person, to pay all or any portion of the Self Insured Retention. However, **we** may advance on **your** behalf payment for **Loss** that is within the Self Insured Retention, solely at our discretion, and **you** must repay **us** such amount promptly upon demand.

All other terms and conditions of the policy remain unchanged.