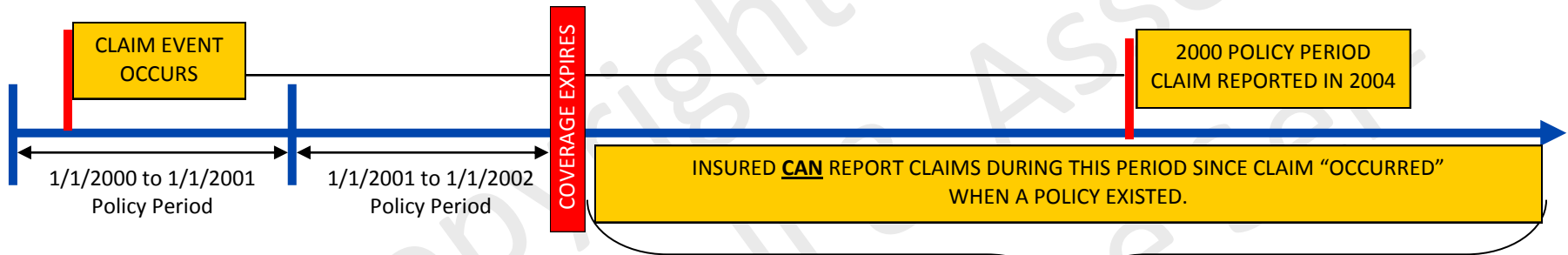


Occurrence vs Claims Made

Item #3—Need for Extended Reporting Period Coverage (Tail)

Occurrence Policy Form:

WHENEVER YOU CANCEL AN OCCURRENCE POLICY, THERE IS NO NEED TO PURCHASE "TAIL" COVERAGE, SINCE YOU CAN REPORT CLAIMS AGAINST THE OCCURRENCE POLICY YEARS AFTER IT EXPIRED. THE CLAIM JUST NEEDS TO "OCCUR" DURING THE POLICY PERIOD.



Claims Made Policy Form:

WHEN A CLAIMS MADE POLICY NON-RENEWS OR EXPIRES, THE INSURED USUALLY HAS 60 DAYS AFTER THE EXPIRATION DATE TO REPORT CLAIMS WHICH OCCURRED DURING THE TIME THE POLICY WAS ACTIVE. THIS 60 DAYS DOES NOT EXTEND THE POLICY PERIOD, JUST AN EXTENSION OF TIME TO REPORT CLAIMS. TO REPORT PAST 60 DAYS, INSURED MUST PURCHASE "EXTENDED REPORTING PERIOD" COVERAGE.

