



In consideration of payment of the premium and subject to the Declarations, the General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Section, the Company and the Insureds agree as follows:

---

**Insuring Clauses**

*Kidnapping and Extortion Coverage Insuring Clause 1*

1. The Company shall reimburse the **Organization** for direct loss of property or other consideration surrendered as payment by or on behalf of an **Organization** resulting from **Kidnapping, Extortion Threat** or **Cyber Extortion**.
- 

*Custody Coverage Insuring Clause 2*

2. The Company shall reimburse the **Organization** for direct loss caused by the actual destruction, disappearance, confiscation or unlawful taking of property or other consideration, which is intended as payment for a covered **Kidnapping, Extortion Threat** or **Cyber Extortion**, while being held or conveyed by a person authorized by an **Organization**.
- 

**Expense Coverage Insuring Clause 3**

3. The Company shall reimburse the **Organization** for **Expenses** paid by an **Organization** resulting directly from a covered **Kidnapping, Extortion Threat** or **Cyber Extortion**, or resulting directly from a **Hijacking, Political Threat** or **Wrongful Detention**.
- 

*Accidental Loss Coverage Insuring Clause 4*

4. The Company shall pay the Benefit Amount for **Accidental Loss** resulting directly from a covered **Kidnapping** or resulting directly from a **Hijacking** or **Wrongful Detention**.
- 

*Legal Liability Costs Coverage Insuring Clause 5*

5. The Company shall reimburse the **Organization** for **Legal Liability Costs**.
-



*Definitions*

6. For the purposes of this Coverage Section:

**Accidental Loss** means **Loss of Life, Loss of Use, Loss of Sight, Loss of Speech and/or Hearing or Mutilation** of an **Insured Person** when such **Accidental Loss**:

- (a) is sudden, unforeseen, unexpected and independent of any illness, disease or other bodily malfunction of such **Insured Person**; and
- (b) happens by chance and arises from a source external to such **Insured Person**.

**Computer System** means a computer and all input, output, processing, storage, off-line media library and communication facilities which are connected to such computer, provided that such computer and facilities are owned and operated or leased and operated by an **Organization**.

**Consequential Personal Financial Loss** means pecuniary loss incurred by an **Insured Person**, including pecuniary loss resulting directly from the failure to renew insurance contracts, the failure to exercise stock options or the failure to respond to margin or loan calls by financial institutions.

**Contaminate** means to introduce a foreign material or substance, which would render any tangible property unfit for use or sale.

**Cyber-attack** means a set of unauthorized **Instructions** that are designed to alter, damage or destroy information within a **Computer System** without the authorization of an **Organization**, including those **Instructions** that are self-replicating or self-propagating and are designed to contaminate computer programs or computer data, consume computer resources or in some fashion usurp the normal operation of a **Computer System**.

**Cyber Extortion** means a threat or threats made directly against an **Organization** to:

- (a) alter, damage, destroy or render unusable any **Data** owned by such **Organization** or for which such **Organization** is legally liable; or
- (b) disseminate, divulge or utilize a **Record**,

by the fraudulent input of **Data** by means of a **Cyber-attack** into a **Computer System** by a person or group, whether acting alone or in collusion with others, where such person or group has fraudulently accessed or alleges to have fraudulently accessed such **Computer System** and is demanding payment or a



series of payments, in exchange for the mitigation or removal of such threats. However, such threat shall not constitute a **Cyber Extortion** unless, prior to surrendering property or other consideration as payment by or on behalf of an **Organization**, such **Organization** conducts a reasonable investigation and reasonably determines that such threat is technologically credible.

All such threats:

- (i) related by a common committed, attempted or threatened act; or
- (ii) made contemporaneously against the same **Organization** or involving the same **Data, Record** or **Cyber-attack**,

will be deemed to constitute a single **Cyber Extortion**.

**Data** means information, knowledge, facts, concepts or instructions which are processed and stored in a **Computer System**.

**Employee** means any:

- (a) natural person while in the regular service of an **Organization** in the ordinary course of such **Organization's** business, whom such **Organization** compensates by **Salary** and has the right to govern and direct in the performance of such service, including any part-time, seasonal, leased or temporary employee;
- (b) natural person volunteer while in the regular service of an **Organization** in the ordinary course of such **Organization's** business, whom such **Organization** has the right to govern and direct in the performance of such service; or
- (c) **Executive** while performing acts within the scope of the usual duties of an **Employee**.

**Employee** shall not mean any agent, broker, factor, commission merchant, consignee, contractor, independent contractor, subcontractor or other similar representative.

**Event Benefit Amount** means that amount set forth in Item 2(D)(ii) of the Declarations for this Coverage Section.

**Executive** means any natural person who was, now is or shall become a duly elected or appointed director, officer, trustee, in-house general counsel or duly



constituted committee member of any **Organization** chartered in the United States of America.

**Expenses** means:

- (a) solely in connection with a **Kidnapping, Extortion Threat, Political Threat, Hijacking or Wrongful Detention**, only the reasonable fees and expenses for or cost of:
  - (i) an independent negotiator or consultant;
  - (ii) an independent public relations consultant;
  - (iii) travel and accommodations of an **Insured Person**;
  - (iv) independent legal advice (other than **Legal Liability Costs**);
  - (v) independent security guard services for up to fifteen (15) days; provided that, with respect to such services incurred in connection with any **Political Threat**, the **Organization** shall bear uninsured and at its own risk twenty-five percent (25%) of such services, and the Company's liability shall apply only to the remaining seventy-five percent (75%) of such services;
  - (vi) advertising, communications and recording equipment;
  - (vii) an independent forensic analyst;
  - (viii) assessment of such **Extortion Threat** or **Political Threat** by an independent security consultant;
  - (ix) interest for a loan taken by an **Organization** for property or other consideration surrendered as payment under Insuring Clause 1;
  - (x) a reward paid by an **Organization** to a natural person who provides information not otherwise available leading to the arrest and conviction of the person(s) responsible for such **Kidnapping, Extortion Threat, Wrongful Detention** or **Hijacking**;
  - (xi) the **Salary** which an **Organization** continues to pay an **Employee** following such **Kidnapping, Wrongful Detention** or **Hijacking** of such **Employee**. Such coverage shall apply to the **Salary** of such **Employee** in effect at the time of such **Kidnapping, Wrongful Detention** or **Hijacking** and will end thirty (30) days after such **Employee** is released



or suffers **Loss of Life**, or sixty (60) months after such **Kidnapping, Wrongful Detention** or **Hijacking** began, whichever is more recent;

- (xii) the salary or wages which an **Organization** pays a newly hired natural person to conduct the duties of an **Employee** following such **Kidnapping, Wrongful Detention, or Hijacking** of such **Employee**. Such coverage shall apply up to the **Salary** of such **Employee** in effect at the time of such **Kidnapping, Wrongful Detention, or Hijacking** and will end thirty (30) days after such **Employee** is released or suffers **Loss of Life**, or sixty (60) months after such **Kidnapping, Wrongful Detention** or **Hijacking** began, whichever is more recent;
- (xiii) **Consequential Personal Financial Loss** which an **Insured Person** suffers as the result of such **Insured Person's** inability to attend to personal financial matters;
- (xiv) reasonable medical, cosmetic, psychiatric and dental expenses incurred following an **Insured Person's** release;
- (xv) reasonable expenses of rest and rehabilitation, including meals and recreation, for up to thirty (30) days, when such expenses are incurred within twelve (12) months following an **Insured Person's** release;
- (b) solely in connection with an **Extortion Threat to Contaminate Merchandise, Recall Expenses**;
- (c) solely in connection with a **Cyber Extortion**, only the reasonable fees and expenses for or cost of:
  - (i) an independent negotiator;
  - (ii) assessment of such **Cyber Extortion** by an independent network security consultant;
  - (iii) an independent public relations consultant;
  - (iv) travel and accommodations of an **Insured Person**;
  - (v) independent legal advice (other than defense costs);
  - (vi) interest for a loan taken by an **Organization** for property or other consideration surrendered as payment under Insuring Clause 1;



- (vii) a reward paid by an **Organization** to a natural person who provides information not otherwise available leading to the arrest and conviction of the person(s) responsible for such **Cyber Extortion**;
- (d) other reasonable expenses incurred by an **Organization**, subject to the Company's prior written approval.

**Extortion Threat** means a threat or threats made solely and directly against an **Organization** to:

- (a) commit a **Kidnapping** of, do bodily harm to, or wrongfully abduct or detain any **Insured Person**;
- (b) damage, destroy or **Contaminate** any **Property**;
- (c) disseminate, divulge or utilize any **Proprietary Information**; or
- (d) disseminate or make public negative information regarding **Merchandise** that has been the subject of a prior threat under (b) above,

by a person or group, whether acting alone or in collusion with others, demanding payment or a series of payments, in exchange for the mitigation or removal of such threats.

All such threats:

- (i) related by a common committed, attempted or threatened act; or
- (ii) made contemporaneously against the same **Organization** or involving the same **Insured Person, Property, Proprietary Information** or **Merchandise**,

will be deemed to constitute a single **Extortion Threat**.

**Hijacking** means the unlawful detention of an **Insured Person** (other than a **Kidnapping**) by violence or threat of violence by a person or group, where such unlawful detention:

- (a) occurs while traveling on or in an aircraft, watercraft or motor vehicle for a period in excess of four (4) hours; or
- (b) occurs while traveling on or in an aircraft or watercraft and results in such **Insured Person's Loss of Life**.



**Instructions** means an ordered set of **Data** representing coded information that, when executed by a **Computer System**, causes such **Computer System** to process **Data** or perform one or more operations.

**Insured(s)** means any **Organization** and any **Insured Person**.

**Insured Person** means:

- (a) any **Employee**;
- (b) any **Relative** of an **Employee**;
- (c) any natural person who is employed in the household of an **Employee** while in the home of such **Employee**;
- (d) any natural person who is a legal resident in the home of an **Employee** or a guest while in the home of an **Employee**;
- (e) any customer or guest of an **Organization** while on the **Premises** of such **Organization**;
- (f) any customer or guest of an **Organization** while traveling on or in an aircraft, watercraft or motor vehicle with an **Employee**; or
- (g) any natural person who is temporarily retained by an **Organization** to deliver a ransom or extortion payment.

**Kidnapping** means an actual or alleged wrongful abduction and holding under duress or by fraudulent means of an **Insured Person** by a person or a group, whether acting alone or in collusion with others, demanding payment or a series of payments by an **Organization**, in exchange for the release of such **Insured Person**.

**Legal Liability Costs** means the reasonable defense costs incurred by an **Organization** and damages which an **Organization** becomes legally obligated to pay as a result of a judgment or settlement in any suit brought by an **Insured Person** (or the estate, heirs or legal representatives of such **Insured Person**) against such **Organization** alleging negligence or incompetence:

- (a) in the hostage retrieval operations or negotiations in a covered **Kidnapping** or **Extortion Threat** (as described in subparagraph (a) of the definition of **Extortion Threat**) or in a **Hijacking** or **Wrongful Detention** of such **Insured Person**; or



- (b) in the prevention of a covered **Kidnapping** or **Extortion Threat** (as described in subparagraph (a) of the definition of **Extortion Threat**) or in a **Hijacking** or **Wrongful Detention** of such **Insured Person**;

provided that such **Organization** agrees as a condition precedent to coverage under Insuring Clause 5 to cooperate with the Company in conducting the defense or in negotiating the settlement of such suit.

**Loss of Life** means:

- (a) death, including clinical death, determined by a medical examiner or similar local governing medical authority; or
- (b) the absence of communication from an **Insured Person** or those responsible for the **Kidnapping, Hijacking** or **Wrongful Detention** of such **Insured Person** for a period of two (2) years following the later of:
- (i) such **Kidnapping, Hijacking** or **Wrongful Detention**;
  - (ii) the last communication from such **Insured Person**; or
  - (iii) the last communication from those responsible for such **Kidnapping, Hijacking** or **Wrongful Detention**.

**Loss of Life Benefit Amount** means that amount set forth in Item 2(D)(i) of the Declarations for this Coverage Section.

**Loss of Sight** means the permanent loss of sight to the extent of legal blindness.

**Loss of Speech and/or Hearing** means the permanent total loss of the capability of speech and/or hearing.

**Loss of Use** means the permanent total loss of function of a foot, hand, or thumb and index finger.

**Merchandise** means an **Organization's** inventory, raw materials, work in progress or products manufactured or distributed by an **Organization**.

**Mutilation** means the permanent total loss of an entire finger, toe, ear, nose or genital organ.

**Political Threat** means a politically motivated threat or threats made solely and directly against an **Organization** to do bodily harm to an **Employee** or a **Relative** of an **Employee** by a person or group:





- (a) acting as an agent of or with tacit approval of any government or governmental entity; or
- (b) acting or purporting to act on behalf of any political terrorist or insurgent party, organization or group.

All such threats:

- (i) related by a common committed, attempted or threatened act; or
- (ii) made contemporaneously against the same **Employee** or **Relative** of an **Employee**,

will be deemed to constitute a single **Political Threat**.

**Premises** means buildings or facilities occupied by an **Organization** in conducting its business.

**Property** means:

- (a) all **Premises** and **Merchandise** of an **Organization**;
- (b) any other real or tangible personal property owned or leased by an **Organization**; and
- (c) any other tangible personal property for which an **Organization** is legally liable, provided that such tangible personal property is located on the **Premises** or on any land adjacent thereto occupied by such **Organization** in conducting its business.

**Proprietary Information** means any confidential, private or secret information of an **Organization** and unique to such **Organization's** business, contained in or on drawings, negatives, microfilm, tapes, transparencies, manuscripts, prints, computer discs or other records of a similar nature, provided that such information is protected by physical or electronic control or other reasonable efforts to maintain nondisclosure of such information.

**Recall Expenses** means:

- (a) reasonable expenses for transportation; and
- (b) other reasonable expenses, subject to the Company's prior written approval,



incurred by an **Organization** in the withdrawal, physical inspection or destruction of **Merchandise**.

**Record** means information about a customer held by an **Organization** pertaining to that customer's relationship with such **Organization**, which is not publicly available and is stored in an electronic medium, provided that such information is protected by electronic control to maintain nondisclosure of such information.

**Relative** means spouses, **Domestic Partner**, siblings, ancestors, spouses' ancestors, lineal descendants or lineal descendants' spouses. Lineal descendants include adopted children, foster children and stepchildren. Ancestors include adoptive parents and stepparents.

**Salary** means compensation an **Organization** pays an **Employee**, including bonus, commission, incentive payments, and the cost of health, welfare and pension benefits.

**Wrongful Detention** means the wrongful involuntary confinement of an **Insured Person** (other than a **Kidnapping** or **Hijacking**) by a person or group, for a period of not less than twenty-four (24) hours.

---

### *Exclusions*

7. No coverage will be available under this Coverage Section for:
  - (a) loss of property or other consideration due to any fraudulent, dishonest or criminal act of an identifiable **Employee**, whether acting alone or in collusion with others; provided that this Exclusion 7(a) shall not apply to the extent that coverage under this Coverage Section is excess of the amount available to an **Organization**, whether collectible or not, under any other bond, insurance or indemnity which would cover such loss in whole or in part;
  - (b) loss resulting from fraud by an **Insured Person**, whether acting alone or in collusion with others, allegedly the subject of a **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat** or **Hijacking** if an **Organization** had not, prior to any payment, made reasonable efforts to determine that such **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat** or **Hijacking** was genuine;
  - (c) loss of property or other consideration surrendered or intended to be surrendered as payment by or on behalf of an **Insured Person** unless an **Organization** agrees that such payment is on behalf of such **Organization**;



- (d) loss of income not realized as the result of a covered loss;
- (e) **Recall Expenses** for or due to:
  - (i) refunds for, the value of or the cost of replacing any withdrawn, damaged or destroyed **Merchandise**; or
  - (ii) any loss, fees or expenses incurred for any known or suspected defect, deficiency or use of substandard or flawed materials necessitating the withdrawal, physical inspection or destruction of **Merchandise** in the absence of an **Extortion Threat** against such **Merchandise**;
- (f) loss arising from **Wrongful Detention** or **Political Threat** due to:
  - (i) any violation of law of the host country by an **Insured**; or
  - (ii) failure of an **Insured** to procure or maintain proper immigration, work, residence or similar visas, permits or other documentation;
- (g) loss sustained by one **Insured** to the advantage of any other **Insured**;
- (h) loss unless the **Kidnapping, Extortion Threat, Cyber Extortion, Political Threat, Wrongful Detention** or **Hijacking** occurs prior to:
  - (i) termination of this Coverage Section as to any applicable **Insured** and is discovered and communicated in writing to the Company as soon as practicable, but in no event later than sixty (60) days following the effective date of such termination;
  - (ii) termination of any Insuring Clause or termination of any particular coverage offered under any Insuring Clause and is discovered and communicated in writing to the Company as soon as practicable, but in no event later than sixty (60) days following the effective date of such termination; or
  - (iii) termination of this Coverage Section in its entirety and is discovered and communicated in writing to the Company as soon as practicable, but in no event later than sixty (60) days following the effective date of such termination.
- (i) loss resulting from fraud by an **Insured Person**, whether acting alone or in collusion with others, allegedly the subject of an **Accidental Loss**;



**ForeFront Portfolio <sup>SM</sup>**  
**For Not-for-Profit Organizations**  
**Kidnap/Ransom and Extortion**  
**Coverage Section**

---

8. No coverage will be available under Insuring Clause 2, 3, 4 or 5 for loss of property or other consideration actually surrendered as a ransom or extortion payment covered under Insuring Clause 1.
  9. No coverage will be available under Insuring Clause 1 for:
    - (a) loss of property or other consideration surrendered away from the **Premises** in any face to face encounter involving the use or threat of force or violence unless surrendered by a person in possession of such property or other consideration at the time of such surrender for the sole purpose of conveying it to pay a previously communicated ransom or extortion demand and unless actually surrendered to those responsible for such demand or their designee; or
    - (b) loss of property or other consideration surrendered on the **Premises** unless brought onto the **Premises** after receipt of the ransom or extortion demand for the sole purpose of paying such demand and unless actually surrendered to those responsible for such demand or their designee.
- 

***Beneficiary***

10. The **Loss of Life Benefit Amount** will be paid to the **Insured Person's** designated beneficiary. The Benefit Amount for all other **Accidental Loss** will be paid to the **Insured Person**, unless otherwise directed by the **Insured Person**.

If an **Insured Person** suffers **Loss of Life** and has not designated a beneficiary, or if the designated beneficiary is not alive, the Company will pay covered loss in the following order:

- (a) to the spouse;
  - (b) in equal shares to the surviving children;
  - (c) in equal shares to the surviving parents;
  - (d) in equal shares to the surviving brothers and sisters; or
  - (e) to the estate,
- of such **Insured Person**.
- 

***Limits of Liability and Retention***



11. The Company shall only be liable for a **Kidnapping, Extortion Threat, Cyber Extortion, Hijacking, Political Threat** or **Wrongful Detention** that first occurs during the **Policy Period**.

The Company's maximum liability for each loss shall not exceed the Limit of Liability applicable to such loss, as set forth in Item 2 in the Declarations for this Coverage Section, regardless of the number of **Insureds** sustaining such loss.

The Company's maximum liability shall not exceed the Limit of Liability:

- (a) Applicable to Insuring Clause 1 as set forth in Item 2(A) of the Declarations for this Coverage Section: for all loss of property and other consideration surrendered as ransom and extortion payments arising from one **Extortion Threat, Kidnapping** or **Cyber Extortion** and any related **Extortion Threat, Kidnapping** or **Cyber Extortion**, or a series of related **Extortion Threats, Kidnappings** or **Cyber Extortions**;
- (b) Applicable to Insuring Clause 2 as set forth in Item 2(B) of the Declarations for this Coverage Section: for all loss of property and other consideration intended as ransom and extortion payments arising from one **Extortion Threat, Kidnapping** or **Cyber Extortion** and any related **Extortion Threat, Kidnapping** or **Cyber Extortion**, or a series of related **Extortion Threats, Kidnappings** or **Cyber Extortions**;
- (c) Applicable to Insuring Clause 3 as set forth in Item 2(C) of the Declarations for this Coverage Section: for all **Expenses** arising from one **Extortion Threat, Kidnapping, Cyber Extortion, Hijacking, Political Threat** or **Wrongful Detention** and any related **Extortion Threat, Kidnapping, Cyber Extortion, Hijacking, Political Threat** or **Wrongful Detention**, or a series of related **Extortion Threats, Kidnappings, Cyber Extortions, Hijackings, Political Threats** or **Wrongful Detentions**;
- (d) Applicable to Insuring Clause 4:
  - (i) If an **Insured Person** suffers a covered **Mutilation**, the Company's maximum liability for such **Mutilation** shall be the amount equal to the percentage, set forth in Item 2(D)(iii) of the Declarations for this Coverage Section, of the **Loss of Life Benefit Amount**;
  - (ii) If an **Insured Person** suffers a covered **Accidental Loss** (other than **Mutilation** or **Loss of Life**), the Company's maximum liability for such **Accidental Loss** shall be the amount equal to the percentage, set forth in



Item 2(D)(iv) of the Declarations for this Coverage Section, of the **Loss of Life Benefit Amount**;

- (iii) If an **Insured Person** suffers a covered **Loss of Life**, the Company's maximum liability for such **Loss of Life** shall be the **Loss of Life Benefit Amount**;
  - (iv) If an **Insured Person** suffers more than one covered **Accidental Loss**, the Company's maximum liability for all such **Accidental Loss** shall be calculated based on (i), (ii) and (iii) above; provided that in no event shall the Company's maximum liability for all such **Accidental Loss** exceed the **Loss of Life Benefit Amount**; or
  - (v) If more than one **Insured Person** suffers covered **Accidental Loss** resulting from the same **Kidnapping, Wrongful Detention, Extortion Threat, Political Threat or Hijacking**, the Company's maximum liability for all such **Accidental Loss** shall be calculated based on (i), (ii), (iii) and (iv) above; provided that in no event shall the Company's maximum liability for all such **Accidental Loss** exceed the **Event Benefit Amount**, which shall be divided proportionately among such **Insured Persons**; or
- (e) Applicable to Insuring Clause 5 as set forth in Item 2(E) of the Declarations for this Coverage Section: for all **Legal Liability Costs** arising from one **Kidnapping, Hijacking, Wrongful Detention or Extortion Threat** (as described in subparagraph (a) of the definition of **Extortion Threat**) and any related **Kidnapping, Hijacking, Wrongful Detention, or Extortion Threat** (as described in subparagraph (a) of the definition of **Extortion Threat**), or a series of related **Kidnappings, Hijackings, Wrongful Detentions or Extortion Threats** (as described in subparagraph (a) of the definition of **Extortion Threat**).

The Company's maximum liability for all **Recall Expenses** shall be the Sublimit as set forth in Item 2(C)(i) of the Declarations for this Coverage Section. Such amount shall be part of, and not in addition to, the Limit of Liability as set forth in Item 2(C) of the Declarations for this Coverage Section.

The Company's maximum liability for all rest and rehabilitation expenses (as described in subparagraph (a)(xv) of the definition of **Expenses**) shall be the Sublimit as set forth in Item 2(C)(ii) of the Declarations for this Coverage Section.



Such amount shall be part of, and not in addition to, the Limit of Liability as set forth in Item 2(C) of the Declarations for this Coverage Section.

The Company's liability under this Coverage Section shall apply only to that part of each loss which is in excess of the applicable Retention set forth in Item 4 of the Declarations for this Coverage Section.

---

#### **Non-Accumulation of Liability**

12. When there is more than one **Insured**, the maximum liability of the Company for loss sustained by any or all **Insureds** shall not exceed the amount for which the Company would be liable if all losses were sustained by any one **Insured**.

Regardless of the number of years this coverage remains in effect and the total premium amounts due or paid, whether under this Coverage Section, any prior bond or policy, or any renewal or replacement of this Coverage Section, the liability of the Company with respect to any loss shall not be cumulative from year to year or from policy period to policy period.

---

#### **Loss Sustained**

13. A loss shall be deemed to have been sustained under:
- (a) Insuring Clause 1, at the time of the surrender of the ransom or extortion payment;
  - (b) Insuring Clause 2, at the time of the actual destruction, disappearance, confiscation or unlawful taking of the property or other consideration;
  - (c) Insuring Clause 3, at the time of the payment of incurred **Expenses** by the **Organization**;
  - (d) Insuring Clause 4, at the time of the **Accidental Loss**; or
  - (e) Insuring Clause 5, at the time the **Organization** has made payment for any incurred expense, judgment or settlement.
- 

#### ***Personal Assets***



14. In the event of a ransom or extortion demand directed against an **Insured Person** rather than against an **Organization**, property or other consideration surrendered or intended to be surrendered by or on behalf of such **Insured Person** and the following **Expenses**: subparagraphs (a)(i) through (a)(x) and (a)(xiii) through (a)(xv) of the definition of **Expenses**; incurred by or on behalf of such **Insured Person** shall, at the option of such **Organization**, be considered property or other consideration surrendered or intended to be surrendered on behalf of such **Organization** and **Expenses** incurred by such **Organization**.
- 

***Proof of Loss and Legal Proceedings***

15. Knowledge possessed by, or discovery by any **Executive** shall be deemed knowledge possessed by, or discovery by, all **Insureds**.

It is a condition precedent to coverage that at the earliest practicable moment after the occurrence of any loss hereunder the **Organization** shall give the Company written notice thereof and shall within four (4) months after such occurrence furnish to the Company affirmative proof of loss with full particulars.

No **Insured** shall institute legal proceedings against the Company for recovery of any loss under this Coverage Section after the expiration of a period of two (2) years, or any minimum period of time required by law, immediately following the time such loss was sustained.

---

***Valuation and Foreign Currency***

16. The Company shall pay:
- (a) the cost of blank books, pages or tapes or other blank materials to replace lost or damaged books of account or other records;
  - (b) the least of:
    - (i) the actual cash value of any other property or other consideration at the time of loss; or
    - (ii) the actual cost to repair or replace such other property or consideration with that of similar quality and value; or





- (c) the United States of America dollar value of foreign currency based on the rate of exchange published in *The Wall Street Journal* on the day loss involving foreign currency is discovered.
- 

***Recoveries***

- 17. Recoveries for any loss covered under this Coverage Section, whether effected by the Company or by an **Insured**, less the cost of recovery, shall be distributed as follows:
  - (a) first, to an **Insured** for the amount of such loss, otherwise covered, in excess of the applicable Limits of Liability;
  - (b) second, to the Company for the amount of such loss paid to an **Insured** as covered loss;
  - (c) third, to an **Insured** for the Retention applicable to such loss;
  - (d) fourth, to an **Insured** for the amount of such loss not covered under this Coverage Section.

Recovery from reinsurance or indemnity of the Company shall not be deemed a recovery hereunder.

---

***Other Insurance***

- 18. If any loss covered by this Coverage Section is insured under any other insurance policy(ies), prior or current, then this Coverage Section shall cover such loss, subject to its limitations, conditions, provisions and other terms, only to the extent that the amount of such loss is in excess of the amount of the applicable retention (or deductible) and limit of liability under such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this Coverage Section.

The Company's liability under this Coverage Section for any loss of personal assets under Subsection 14 Personal Assets, other than a loss sustained by an **Employee**, shall be reduced by any amount paid or payable on account of such loss under other insurance issued by the Company or any of its subsidiaries or affiliated companies.

---