



In consideration of the payment of premium, in reliance on the **Application** and subject to the Declarations, and terms and conditions of this **Policy**, the **Insurer** and the **Company** agree as follows.

A. INSURING CLAUSES

Coverage is provided under the following Insuring Agreements for which a Limit of Liability is shown in the Declarations and applies to loss that the **Company** sustains resulting directly from an **Occurrence** taking place during the **Policy Period** shown in the Declarations, except as provided in Section D, Conditions, subsections 1.k. or 1.l., which is **Discovered** by the **Company** during the **Policy Period** shown in the Declarations or during the period of time provided in Section D, Conditions, subsection 1.h., Extended Period To **Discover** Loss:

1. **Employee Theft**

a) **Employee Theft**

The **Insurer** will pay for loss of or damage to **Money, Securities** and **Other Property** resulting directly from **Theft** committed by an **Employee**, whether identified or not, acting alone or in collusion with others.

b) **Employee Benefit Plan**

In the event **Employee Benefit Plan** Coverage is affirmatively designated in Item C of the Declarations relating to this Coverage Section, then the **Insurer** will pay for loss to the **Employee Benefit Plan** of **Money, Securities** and **Other Property** resulting directly from **Theft** by an **Employee**, whether identified or not, acting alone or in collusion with others.

c) **Client Property**

The **Insurer** will pay for loss of or damage to **Money, Securities** and **Other Property** sustained by a **Client** resulting directly from **Theft** committed by an identified **Employee**, acting alone or in collusion with others.

However, this insurance is for the **Company's** benefit only. It provides no rights or benefits to any other person or organization, including the **Company's Client**. Any claim for loss that is covered under this Insuring Agreement must be presented by the **Company**.

For the purposes of this Insuring Agreement, **Theft** shall also include forgery.

2. **Forgery Or Alteration**

- a) The **Insurer** will pay for loss resulting directly from **Forgery** or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions, including written instruments required in conjunction with any credit, debit or charge card issued to

the **Company**, or any **Employee** on behalf of the **Company**, to pay a sum certain in **Money** that are:

- (i) Made or drawn by or drawn upon the **Company**; or
- (ii) Made or drawn by one acting as the **Company's** agent;

or that are purported to have been so made or drawn.

Provided, that the **Insurer** shall not pay for loss arising from any credit, debit or charge card if the **Company** or the **Employee** has not fully complied with the provisions, conditions or other terms under which the card was issued.

For the purposes of this Insuring Clause, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

- b) If the **Company** is sued for refusing to pay any instrument covered in Insuring Agreement 2.a., on the basis that it has been forged or altered, and the **Company** has the **Insurer's** written consent to defend against the suit, the **Insurer** will pay for any reasonable legal expenses that the **Company** incurs and pays in that defense. The amount that the **Insurer** will pay is in addition to the Limit of Liability applicable to such Insuring Agreement.

3. Inside The **Premises** – **Theft Of Money And Securities**

- a) The **Insurer** will pay for loss of **Money** and **Securities** inside the **Premises** or **Banking Premises**:
 - (i) Resulting directly from **Theft** committed by a person present inside such **Premises** or **Banking Premises**; or
 - (ii) Resulting directly from disappearance or destruction.
- b) The **Insurer** will pay for loss from damage to the **Premises** or its exterior resulting directly from an actual or attempted **Theft** of **Money** and **Securities**, if the **Company** is the owner of the **Premises** or is liable for damage to it.
- c) The **Insurer** will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the **Premises** resulting directly from an actual or attempted **Theft** of or unlawful entry into those containers.

4. Inside The **Premises** – **Robbery Or Safe Burglary Of Other Property**

- a) The **Insurer** will pay for loss of or damage to **Other Property**:
 - (i) Inside the **Premises** resulting directly from an actual or attempted **Robbery** of a **Custodian**; or
 - (ii) Inside the **Premises** in a safe or vault resulting directly from an actual or attempted **Safe Burglary**.
- b) The **Insurer** will pay for loss from damage to the **Premises** or its exterior resulting directly from an actual or attempted **Robbery** or **Safe Burglary** of **Other Property**, if the **Company** is the owner of the **Premises** or is liable for damage to it.

- c) The **Insurer** will pay for loss of or damage to a locked safe or vault located inside the **Premises** resulting directly from an actual or attempted **Robbery** or **Safe Burglary**.

5. Outside The **Premises**

- a) The **Insurer** will pay for loss of **Money** and **Securities** outside the **Premises** in the care and custody of a **Messenger** or an armored motor vehicle company resulting directly from **Theft**, disappearance or destruction.
- b) The **Insurer** will pay for loss of or damage to **Other Property** outside the **Premises** in the care and custody of a **Messenger** or an armored motor vehicle company resulting directly from an actual or attempted **Robbery**.

6. Computer Fraud

The **Insurer** will pay for loss of or damage to **Money**, **Securities** and **Other Property** resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the **Premises** or **Banking Premises**:

- a) To a person (other than a **Messenger**) outside those **Premises**; or
- b) To a place outside those **Premises**.

7. Funds Transfer Fraud

The **Insurer** will pay for loss of **Funds** resulting directly from a **Fraudulent Instruction** directing a **Financial Institution** to transfer, pay or deliver **Funds** from the **Company's Transfer Account**.

8. **Money** Orders And Counterfeit **Money**

The **Insurer** will pay for loss resulting directly from the **Company** having accepted in good faith, in exchange for merchandise, **Money** or services:

- a) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- b) **Counterfeit Money** that is acquired during the regular course of business.

B. DEFINITIONS

1. **Banking Premises** means the interior of that portion of any building occupied by a **Financial Institution**, or similarly recognized place of safe deposit, including any night depository chute or safe maintained by any **Financial Institution**.
2. **Client** means any entity for whom the **Company** performs services under a written contract.
3. **Counterfeit Money** means an imitation of **Money** that is intended to deceive and to be taken as genuine.
4. **Custodian** means the **Company**, or any of the **Company's** partners, directors, officers, trustees, or **Members**, or any **Employee** while having care and custody of property inside the **Premises**, excluding any person while acting as a **Watchperson** or janitor.

5. **Discover** or **Discovered** means:

- a) the time when the **Company** first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this **Policy** has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known; and
- b) where applicable, the time when the **Company** first receives notice of an actual or potential claim in which it is alleged that the **Company** is liable to a third party under circumstances which, if true, would constitute a loss under this **Policy**.

6. **Employee** means:

a) Any natural person:

- (i) while in the **Company's** service and for the first 60 days immediately after termination of service, unless such termination is due to **Theft** or any other dishonest act committed by the **Employee**;
- (ii) who the **Company** compensates directly by salary, wages or commissions; and
- (iii) who the **Company** has the right to direct and control while performing services for the **Company**;

b) Any natural person who is furnished temporarily to the **Company**:

- (i) to substitute for a permanent **Employee** as defined in subparagraph a., who is on leave; or
- (ii) to meet seasonal or short-term workload conditions;

while that person is subject to the **Company's** direction and control and performing services for the **Company**, excluding, however, any such person while having care and custody of property outside the **Premises**;

c) Any natural person who is leased to the **Company** under a written agreement between the **Company** and a labor leasing firm, to perform duties related to the conduct of the **Company's** business, but does not mean a temporary **Employee** as defined in subparagraph b.;

d) Any natural person who is:

- (i) a trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any **Employee Benefit Plan**; and
- (ii) a director, partner, **Member, Manager**, or trustee of the **Company** while that person is engaged in handling **Funds** or **Other Property** of any **Employee Benefit Plan**;

e) Any natural person who is a former **Employee**, partner, **Member, Manager**, director or trustee retained as a consultant while performing services for the **Company**;

f) Any natural person who is a guest student or intern pursuing studies or duties, and any volunteer performing services for the **Company** without compensation, excluding, however, any such person while having care and custody of property outside the **Premises**;

- g) Any **Employee** of an entity merged or consolidated with the **Company** prior to the effective date of this **Policy**; or
- h) Any of the **Company's Managers**, directors, partners, **Members**, or trustees while:
 - (i) Performing acts within the scope of the **Insurer** usual duties of an **Employee**; or
 - (ii) Acting as a **Member** of any committee duly elected or appointed by resolution of the **Company's** board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on the **Company's** behalf.

Employee does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in paragraph 6.

- 7. **Employee Benefit Plan** means any welfare or pension benefit plan shown in the Declarations that the **Company** sponsors and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.
- 8. **Financial Institution** means:
 - a) a banking, savings or thrift institution; or
 - b) a stock broker, mutual fund, liquid assets fund or similar institution at which the **Company** maintains a **Transfer Account**.
- 9. **Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
- 10. **Fraudulent Instruction** means:
 - a) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by the **Company**, but which was in fact fraudulently transmitted by someone else without the **Company's** knowledge or consent;
 - b) A written instruction (other than those described in Insuring Agreement A.2.) issued by the **Company**, which was forged or altered by someone other than the **Company** without the **Company's** knowledge or consent, or which purports to have been issued by the **Company**, but was in fact fraudulently issued without the **Company's** knowledge or consent; or
 - c) An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by the **Company** which purports to have been transmitted by an **Employee** but which was in fact fraudulently transmitted by someone else without the **Company's** or the **Employee's** knowledge or consent.
- 11. **Funds** means **Money** and **Securities**.
- 12. **Manager** means a person serving in a directorial capacity for a limited liability company.
- 13. **Member** means an owner of a limited liability company represented by its membership interest, who also may serve as a **Manager**.

14. **Messenger** means the **Company**, or a director, officer, trustee, partner, **Member** or **Manager** of the **Company**, or any relative of such individuals, or any **Employee** while having care and custody of property outside the **Premises**.

15. **Money** means:

- a) Currency, bullion, coins and bank notes in current use and having a face value; and
- b) Travelers checks, register checks and money orders held for sale to the public.

16. **Occurrence** means:

a) Under Insuring Agreement A.1.:

- (i) An individual act;
- (ii) The combined total of all separate acts whether or not related; or
- (iii) A series of acts whether or not related;

committed by an **Employee** acting alone or in collusion with other persons, during the **Policy Period** shown in the Declarations, except as provided under section D., Conditions, subsections 1.k. or 1.l.

b) Under Insuring Agreement A.2.:

- (i) An individual act;
- (ii) The combined total of all separate acts whether or not related; or
- (iii) A series of acts whether or not related;

committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the **Policy Period** shown in the Declarations, except as provided under section D. Conditions, subsections 1.k. or 1.l.

c) Under All Other Insuring Agreements:

- (i) An individual act or event;
- (ii) The combined total of all separate acts or events whether or not related; or
- (iii) A series of acts or events whether or not related;

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the **Policy Period** shown in the Declarations, except as provided under section D. Conditions, subsections 1.k. or 1.l.

17. **Other Property** means any tangible property other than **Money** and **Securities** that has intrinsic value. **Other Property** does not include computer programs, electronic data or any property specifically excluded under this **Policy**.

18. **Premises** means the interior of that portion of any building the **Company** occupies in conducting the **Company's** business.

19. **Robbery** means the unlawful taking of property from the care and custody of a person by one who has:
- a) Caused or threatened to cause that person bodily harm; or
 - b) Committed an obviously unlawful act witnessed by that person.
20. **Safe Burglary** means the unlawful taking of:
- a) Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
 - b) A safe or vault from inside the **Premises**.
21. **Securities** means negotiable and nonnegotiable instruments or contracts representing either **Money** or property and includes:
- a) Stock certificates, tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by the **Company**;
- but does not include **Money**.
22. **Single Loss** means all loss caused by, resulting from or involving an act or event, or a series of related acts or events, whether or not involving one or more specific persons.
23. **Theft** means the unlawful taking of property to the deprivation of the **Company**. For the purpose of Insuring Agreement A.1.b. only, **Theft** means the unlawful taking by any **Employee of Money, Securities or Other Property** that was intended to be paid as benefits by an **Employee Benefit Plan**. For purposes of Insuring Agreement A.1.c. only, **Theft** means the unlawful taking of **Money, Securities or Other Property** to the deprivation of the **Company's Client**.
24. **Transfer Account** means an account maintained by the **Company** at a **Financial Institution** from which the **Company** can initiate the transfer, payment or delivery of **Funds**:
- a) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
 - b) By means of written instructions (other than those described in Insuring Agreement A.2. establishing the conditions under which such transfers are to be initiated by such **Financial Institution** through an electronic funds transfer system.
25. **Watchperson** means any person the **Company** retains specifically to have care and custody of property inside the **Premises** and who has no other duties.

C. EXCLUSIONS

1. This Coverage Section does not cover:

a) Loss resulting from **Theft** or any other dishonest act committed by:

- (i) The **Company**; or
- (ii) Any of the **Company's** partners or **Members**;

whether acting alone or in collusion with other persons.

b) Loss caused by an **Employee** if the **Employee** had also committed **Theft** or any other dishonest act prior to the effective date of this **Policy** and the **Company** or any of its partners, **Members**, **Managers**, officers, directors or trustees, not in collusion with the **Employee**, learned of that **Theft** or dishonest act prior to the **Policy Period** shown in the Declarations.

c) Loss resulting from **Theft** or any other dishonest act committed by any of the **Company's** **Employees**, **Managers**, directors, trustees or authorized representatives:

- (i) Whether acting alone or in collusion with other persons; or
- (ii) While performing services for the **Company** or otherwise;

except when covered under Insuring Agreement A.1.

d) Loss resulting from:

- (i) The unauthorized disclosure of the **Company's** confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
- (ii) The unauthorized use or disclosure of confidential information of another person or entity which is held by the **Company** including, but not limited to, financial information, personal information, credit card information or similar non-public information.

e) Loss resulting from seizure or destruction of property by order of governmental authority.

f) Loss that is an indirect result of an **Occurrence** covered by this Coverage Section including, but not limited to, loss resulting from:

- (i) The **Company's** inability to realize income that the **Company** would have realized had there been no loss of or damage to **Money**, **Securities** or **Other Property**.
- (ii) Payment of damages of any type for which the **Company** is legally liable. But, The **Insurer** will pay compensatory damages arising directly from a loss covered under this Coverage Section.
- (iii) Payment of costs, fees or other expenses the **Company** incurs in establishing either the existence or the amount of loss under this Coverage Section.

g) Fees, costs and expenses incurred by the **Company** which are related to any legal action, except when covered under Insuring Agreement A.2.

- h) Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.
- i) Loss or damage resulting from:
 - (i) War, including undeclared or civil war;
 - (ii) Warlike action by a military force, by any government, sovereign or other authority using military personnel or other agents; or
 - (iii) Insurrection, rebellion, or revolution, or action taken by governmental authority in hindering or defending against any of these.

2. Insuring Agreement A.1. does not cover:

- a) Loss caused by any **Employee** of the **Company**, or predecessor in interest of the **Company**, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation;
- b) Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - (i) An inventory computation; or
 - (ii) A profit and loss computation.

However, where the **Company** establish wholly apart from such computations that the **Company** has sustained a loss, then the **Company** may offer the **Company's** inventory records and actual physical count of inventory in support of the amount of loss claimed.

- c) Loss resulting from trading, whether in the **Company's** name or in a genuine or fictitious account.
- d) Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.

3. Insuring Agreements A.3., A.4. and A.5. do not cover:

- a) Loss resulting from accounting or arithmetical errors or omissions.
- b) Loss resulting from the giving or surrendering of property in any exchange or purchase.
- c) Loss or damage resulting from fire, however caused, except:
 - (i) Loss of or damage to **Money** and **Securities**; and
 - (ii) Loss from damage to a safe or vault.
- d) Loss of property contained in any **Money** operated device unless the amount of **Money** deposited in it is recorded by a continuous recording instrument in the device.
- e) Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

- f) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the **Premises** or **Banking Premises**:
- (i) On the basis of unauthorized instructions;
 - (ii) As a result of a threat to do bodily harm to any person;
 - (iii) As a result of a threat to do damage to any property;
 - (iv) As a result of a threat to introduce a denial of service attack into the **Company's** computer system;
 - (v) As a result of a threat to introduce a virus or other malicious instruction into the **Company's** computer system which is designed to damage, destroy or corrupt data or computer programs stored within your computer system;
 - (vi) As a result of a threat to contaminate, pollute or render substandard the **Company's** products or goods; or
 - (vii) As a result of a threat to disseminate, divulge or utilize:
 - 1. The **Company's** confidential information; or
 - 2. Weaknesses in the source code within the **Company's** computer system.

But, this exclusion does not apply under Insuring Agreement A.5. to loss of **Money**, **Securities** or **Other Property** while outside the **Premises** in the care and custody of a **Messenger** if the **Company**:

- (i) Had no knowledge of any threat at the time the conveyance began; or
 - (ii) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
- g) Loss from damage to the **Premises** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **Other Property** by vandalism or malicious mischief.
- h) Loss resulting from the **Company's**, or anyone acting on the **Company's** express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

4. Insuring Agreement A.6. does not cover:

- a) Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.
- b) Loss resulting from a **Fraudulent Instruction** directing a financial institution to transfer, pay or deliver **Funds** from the **Company's** transfer account.

- c) Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - (i) An inventory computation; or
 - (ii) A profit and loss computation.

5. Insuring Agreement A.7. does not cover:

Loss resulting from the use of any computer to fraudulently cause a transfer of **Money, Securities or Other Property**.

D. CONDITIONS

1. Conditions Applicable To All Insuring Agreements

a) Deductible

The **Insurer** will not pay for loss resulting from an **Occurrence** unless the amount of such loss exceeds the applicable deductible amount shown in the Declarations. The **Insurer** will then pay the amount in excess of such deductible, subject to the applicable Limit of Liability of this Crime Coverage Section.

b) Cancellation of this Coverage Section as to any **Employee**

This Coverage Section is cancelled as to any **Employee**:

- (i) as soon as any of the **Company's Managers, Members**, directors, officers, or trustees not in collusion with the **Employee, Discovers Theft** or any other dishonest act of \$25,000 or more committed by the **Employee** whether before or after becoming employed by the **Company**.
- (ii) on the date specified in a notice mailed to the **Parent Company**. That date will be at least thirty (30) days after the date of mailing.

The **Insurer** will mail or deliver the **Parent Company's** notice to the **Parent Company's** last mailing address known to the **Insurer**. If notice is mailed, proof of mailing will be sufficient proof of notice.

c) Concealment, Misrepresentation Or Fraud

This **Policy** is void in any case of fraud by the **Company** as it relates to this **Policy** at any time. It is also void if the **Parent Company** or any other **Company**, at any time, intentionally conceals or misrepresents a material fact concerning:

- (i) This Coverage Section;
- (ii) The property covered under this Coverage Section;
- (iii) The **Company's** interest in the property covered under this Coverage Section; or
- (iv) A claim under this Coverage Section.

d) Consolidation – Merger Or Acquisition

If the **Company** consolidates or merges with, or purchases or acquires the assets or liabilities of, another entity, then subject to the terms and conditions of this **Policy** including the following paragraphs of this subsection (d), such consolidated or merged entity or purchased or acquired assets or liabilities shall be covered under this Coverage Section, but only with respect to **Occurrences** after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

If the total assets of such consolidated or merged entity, or purchased or acquired assets (or liabilities, if liabilities were purchased or acquired), exceed 10% of the total assets (or liabilities, if liabilities were purchased or acquired) of the **Parent Company** and the **Subsidiaries** as reflected in the then most recent consolidated financial statements of the **Parent Company**, coverage shall be provided with respect to such consolidated or merged entity, or purchased or acquired assets or liabilities for a period of 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, or at the end of the **Policy Period**, whichever is earlier, so long as the **Parent Company** gives written notice of such consolidation, merger or purchase or acquisition of assets or liabilities prior to the end of the **Policy Period**. Coverage otherwise afforded under this paragraph for such consolidation, merger or purchase or acquisition of assets or liabilities shall terminate 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, or at the end of the **Policy Period**, whichever is earlier, unless the **Parent Company** agrees to and pays any additional premium required by the **Insurer**, and agrees to any additional terms and conditions of this **Policy** as required by the **Insurer**.

e) Duties In The Event Of Loss

After any of the **Company's Managers, Members**, directors, officers, trustees or risk managers **Discovers** a loss or a situation that may result in loss of or damage to **Money, Securities** or **Other Property** the **Company** must:

- (i) Notify the **Insurer** as soon as possible. If the **Company** has reason to believe that any loss (except for loss covered under Insuring Agreement A.1. or A.2.) involves a violation of law, the **Company** must also notify the local law enforcement authorities.
- (ii) Submit to examination under oath at the **Insurer's** request and give the **Insurer** a signed statement of the **Company's** answers.
- (iii) Produce for the **Insurer's** examination all pertinent records.
- (iv) Give the **Insurer** a detailed, sworn proof of loss within 180 days.
- (v) Cooperate with the **Insurer** in the investigation and settlement of any claim.

f) **Employee Benefit Plans**

- (i) The **Employee Benefit Plans** shown in an endorsement attached to this **Policy** are included as a **Parent Company** under Insuring Agreement A.1.
- (ii) If any **Employee Benefit Plan** is insured jointly with any other entity under this **Policy**, the **Company** or the Plan Administrator must select a Limit of Liability for Insuring Agreement A.1. that is sufficient to provide a Limit of Liability for each

Employee Benefit Plan that is at least equal to that required if each **Employee Benefit Plan** were separately insured.

- (iii) With respect to loss sustained or **Discovered** by any such **Employee Benefit Plan**, Insuring Agreement A.1. is replaced by the following:

The **Insurer** will pay for loss of or damage to **Funds** and **Other Property** resulting directly from fraudulent or dishonest acts committed by an **Employee**, whether identified or not, acting alone or in collusion with other persons.

- (iv) If the **Parent Company** is an entity other than an **Employee Benefit Plan**, any payment the **Insurer** makes for loss sustained by any **Employee Benefit Plan** will be made to the **Employee Benefit Plan** sustaining the loss.
- (v) If two or more **Employee Benefit Plans** are insured under this **Policy**, any payment the **Insurer** makes for loss:

1. Sustained by two or more **Employee Benefit Plans**; or
2. Of commingled **Funds** or **Other Property** of two or more **Employee Benefit Plans**;

resulting directly from an **Occurrence** will be made to each **Employee Benefit Plan** sustaining loss in the proportion that the Limit of Liability required for each **Employee Benefit Plan** bears to the total Limit of Liability of all **Employee Benefit Plans** sustaining loss.

- (vi) The Deductible Amount applicable to Insuring Agreement A.1. does not apply to loss sustained by any **Employee Benefit Plan**.

- g) Examination Of The **Company's** Books And Records

The **Insurer** may examine and audit the **Company's** books and records as they relate to this Coverage Section at any time during the **Policy Period** shown in the Declarations and up to 3 years afterward.

- h) Extended Period To Discover Loss

The **Insurer** will pay for loss that the **Company** sustained prior to the effective date of cancellation of this Coverage Section, which is **Discovered** by the **Company**:

- (i) No later than sixty (60) days from the date of that cancellation. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by the **Company**, whether from the **Insurer** or another insurer, replacing in whole or in part the insurance afforded by this Coverage Part, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (ii) No later than 1 year from the date of that cancellation with regard to any **Employee Benefit Plan**.

i) Inspections And Surveys

(i) The **Insurer** has the right to:

1. Make inspections and surveys at any time;
2. Give the **Company** reports on the conditions the **Insurer** finds; and
3. Recommend changes.

(ii) The **Insurer** is not obligated to make any inspections, surveys, reports or recommendations and any such actions the **Insurer** does undertake relate only to insurability and the premiums to be charged. The **Insurer** does not make safety inspections. The **Insurer** does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And the **Insurer** does not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

(iii) Paragraphs i.i. and i.ii apply not only to the **Insurer**, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

j) Joint Insured

(i) If more than one **Company** is named in the Declarations, the **Parent Company** will act for itself and for every other **Company** for all purposes of this **Policy**. If the **Parent Company** ceases to be covered, then the next **Parent Company** will become the **Parent Company**.

(ii) If any **Company**, director, trustee **Member**, **Manager**, or officer of that **Company** has knowledge of any information relevant to this **Policy**, that knowledge is considered knowledge of every **Company**.

(iii) An **Employee** of any **Company** is considered to be an **Employee** of every **Company**.

(iv) If this Coverage Section or any of its coverages is cancelled as to any **Company**, loss sustained by that **Company** is covered only if it is **Discovered** by the **Parent Company**:

(1) during the period of time provided in Section D, Conditions, subsection h, Extended Period To Discover Loss. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by the **Company**, whether from the **Insurer** or another insurer, replacing in whole or in part the insurance afforded by this Coverage Part, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

(2) No later than 1 year from the date of that cancellation with regard to any **Employee Benefit Plan**.

- (v) The **Insurer** will not pay more for loss sustained by more than one **Company** than the amount the **Insurer** would pay if all such loss had been sustained by one **Company**.
 - (vi) Payment by the **Insurer** to the **Parent Company** for loss sustained by a **Company**, other than any **Employee Benefit Plan**, shall fully release the **Insurer** on account of such loss.
- k) Loss Sustained During Prior Insurance Issued By Insurer Or Any Affiliate
- (1) Loss Sustained Partly During This Policy And Partly During Prior Insurance
If the **Company Discover** loss during the **Policy Period**, resulting directly from an **Occurrence** taking place:
 - (a) Partly during the **Policy Period**; and
 - (b) Partly during the policy period(s) of any prior cancelled insurance that the **Insurer** or any affiliate issued to the **Company** or any predecessor in interest;and this **Policy** became effective at the time of cancellation of the prior insurance, the **Insurer** will first settle the amount of loss that the **Company** sustained during this **Policy Period**. The **Insurer** will then settle the remaining amount of loss that the **Company** sustained during the policy period(s) of the prior insurance.
 - (2) Loss Sustained Entirely During Prior Insurance
If the **Company Discover** loss during the **Policy Period**, resulting directly from an **Occurrence** taking place entirely during the policy period(s) of any prior cancelled insurance that the **Insurer** or any affiliate issued to the **Company** or any predecessor in interest, the **Insurer** will pay for the loss, provided:
 - (a) This **Policy** became effective at the time of cancellation of the prior insurance; and
 - (b) The loss would have been covered under this **Policy** had it been in effect at the time of the **Occurrence**.The **Insurer** will first settle the amount of loss that the **Company** sustained during the most recent prior insurance. The **Insurer** will then settle any remaining amount of loss that the **Company** sustained during the policy period(s) of any other prior insurance.
 - (3) In settling loss subject to this Condition:
 - (a) The most the **Insurer** will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this **Policy** or was written under the prior insurance issued by the **Insurer**.
 - (b) The **Insurer** will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this **Policy**. If no loss was sustained under this **Policy**, the **Insurer** will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.
If the Deductible Amount is larger than the amount of loss sustained under this **Policy**, or the most recent prior insurance, the **Insurer** will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.
The **Insurer** will not apply any other Deductible Amount that may have been applicable to the loss.

- l) Loss Sustained During Prior Insurance Not Issued By **Insurer** Or Any Affiliate
- (1) If the **Company Discovers** loss during the **Policy Period**, resulting directly from an **Occurrence** taking place during the policy period of any prior cancelled insurance that was issued to the **Company** or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, the **Insurer** will pay for the loss under this **Policy**, provided:
 - (a) This **Policy** became effective at the time of cancellation of the prior insurance; and
 - (b) The loss would have been covered under this **Policy** had it been in effect at the time of the **Occurrence**.
 - (2) In settling loss subject to this Condition:
 - (a) The most the **Insurer** will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this **Policy** or was written under the prior cancelled insurance.
 - (b) The **Insurer** will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.
 - (3) The insurance provided under this Condition is subject to the following:
 - (a) If loss covered under this Condition is also partially covered under Condition (k), the amount recoverable under this Condition is part of, not in addition to, the amount recoverable under Condition (k).
 - (b) For loss covered under this Condition that is not subject to Paragraph (3)(a), the amount recoverable under this Condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this **Policy** and is limited to the lesser of the amount recoverable under:
 - (i) This **Policy** as of its effective date; or
 - (ii) The prior cancelled insurance had it remained in effect.
- m) Ownership Of Property; Interests Covered

The property covered under this **Policy** is limited to property:

- (i) That the **Company** owns or leases; or
- (ii) That the **Company** holds for others, whether or not the **Company** is legally liable.

Provided, however, that with respect to Insuring Agreement A.1.c, the property covered under such Insuring Agreement is limited to property:

- a. That the **Company's Client** owns or leases; or
- b. That the **Company's Client** holds for others whether or not the **Company's Client** is legally liable for the loss of such property.

However, this Coverage Section is for the **Company's** benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this Coverage Section must be presented by the **Company**.

- n) Records

The **Company** must keep records of all property covered under this Coverage Section so the **Insurer** can verify the amount of any loss.

o) Recoveries

(i) Any recoveries, whether effected before or after any payment under this Coverage Section, whether made by the **Insurer** or the **Company**, shall be applied net of the expense of such recovery:

1. First, to the **Company** in satisfaction of the **Company's** covered loss in excess of the amount paid under this Coverage Section;
2. Second, to the **Insurer** in satisfaction of amounts paid in settlement of the **Company's** claim;
3. Third, to the **Company** in satisfaction of any Deductible Amount; and,
4. Fourth to the **Company** in satisfaction of any loss not covered under this Coverage Section.

(ii) Recoveries do not include any recovery:

1. From insurance, suretyship, reinsurance, security or indemnity taken for the **Insurer's** benefit; or
2. Of original **Securities** after duplicates of them have been issued.

p) Transfer Of The **Company's** Rights Of Recovery Against Others To the **Insurer**

The **Company** must transfer to the **Insurer** all the **Company's** rights of recovery against any person or organization for any loss the **Company** sustained and for which the **Insurer** has paid or settled. The **Company** must also do everything necessary to secure those rights and do nothing after loss to impair them.

q) Valuation – Settlement

The value of any loss for purposes of coverage under this Coverage Section shall be determined as follows:

(i) Loss of **Money** but only up to and including its face value. The **Insurer** will, at the **Company's** option, pay for loss of **Money** issued by any country other than the United States of America:

1. At face value in the **Money** issued by that country; or
2. In the United States of America dollar equivalent determined by the rate of exchange published in The Wall Street Journal on the day the loss was **Discovered**.

(ii) Loss of **Securities** but only up to and including their value at the close of business on the day the loss was **Discovered**. The **Insurer** may, at the **Insurer's** option:

1. Pay the market value of such **Securities** or replace them in kind, in which event the **Company** must assign to the **Insurer** all the **Company's** rights, title and interest in and to those **Securities**; or

2. Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the **Securities**. However, the **Insurer** will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - a) Market value of the **Securities** at the close of business on the day the loss was **Discovered**; or
 - b) The Limit of Liability applicable to the **Securities**.
- (iii) Loss of or damage to **Other Property** or loss from damage to the **Premises** or its exterior for the replacement cost of the property without deduction for depreciation.

However, the **Insurer** will not pay more than the least of the following:

1. The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;
2. The amount the **Company** actually spends that is necessary to repair or replace the lost or damaged property; or
3. The Limit of Liability applicable to the lost or damaged property.

With respect to this paragraph (iii), the **Insurer** will not pay on a replacement cost basis for any loss or damage:

1. Until the lost or damaged property is actually repaired or replaced; and
2. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, the **Insurer** will pay on an actual cash value basis.

- (iv) The **Insurer** may, at the **Insurer's** option, settle loss or damage to property other than **Money**:
 1. In the **Money** of the country in which the loss or damage occurred; or
 2. In the United States of America dollar equivalent of the **Money** of the country in which the loss or damage occurred determined by the rate of exchange published in The Wall Street Journal on the day the loss was **Discovered**.
 - (v) Any property that the **Insurer** pays for or replaces becomes the **Insurer's** property.
- r) Legal Action Against the **Insurer**

The **Company** may not bring any legal action against the **Insurer** involving loss:

- (i) Unless the **Company** has complied with all the terms of this **Policy**;
- (ii) Until 90 days after the **Company** has filed proof of loss with the **Insurer**; and
- (iii) Unless brought within 2 years from the date the **Company Discovered** the loss.

If any limitation in this Condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

2. Conditions Applicable To Insuring Agreement A.2.

a) Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement A.2.

b) Electronic And Mechanical Signatures

The **Insurer** will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

c) Proof Of Loss

The **Company** must include with the **Company's** proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

3. Conditions Applicable To Insuring Agreements A.4. And A.5.

a) Armored Motor Vehicle Companies

Under Insuring Agreement A.5., the **Insurer** will only pay for the amount of loss the **Company** cannot recover:

- (i) Under the **Company's** contract with the armored motor vehicle company; and
- (ii) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

b) Special Limit of Liability For Specified Property

The **Insurer** will only pay up to \$5,000 for any one **Occurrence** of loss of or damage to:

- (i) Precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or
- (ii) Manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

4. Conditions Applicable To Insuring Agreement A.6.

a) Special Limit of Liability For Specified Property

The **Insurer** will only pay up to \$5,000 for any one **Occurrence** of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

E. GENERAL TERMS AND CONDITIONS SECTION

Subsections D, H. and I. of the General Terms and Conditions section of the **Policy** shall not apply to this Coverage Section. To the extent any term, limitation or condition of this Coverage Section is inconsistent with a term, limitation or condition of the General Terms and Conditions, the term, limitation or condition of this Coverage Section shall apply.

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