



**UTICA NATIONAL INSURANCE GROUP**

REPUBLIC FRANKLIN INSURANCE CO.  
180 GENESEE STREET  
NEW HARTFORD, NY 13413  
POLICY NUMBER: CPP 3724641  
RENEWAL OF

U9118  
AMSURE  
P O BOX 15044  
ALBANY, NY 12212-5044  
(518) 458-1800

**NAMED INSURED:** BETHLEHEM CENTRAL SCHOOL DISTRICT

**MAILING ADDRESS:** 700 DELAWARE AVENUE  
DELMAR, NY 12054

**FORM OF BUSINESS:** SCHOOL

**BUSINESS DESCRIPTION:** PUBLIC SCHOOL

**POLICY PERIOD:** FROM 07-01-21 TO 07-01-22 12:01 A.M. at your address shown above.

**GOVERNMENT CRIME COVERAGE PART DECLARATIONS**

The Government Crime Coverage Part consists of this Declarations form and the Government Crime Coverage Form.

**EMPLOYEE BENEFIT PLAN(S) INCLUDED AS NAMED INSURED(S):**

**INSURING AGREEMENTS, LIMITS OF INSURANCE AND DEDUCTIBLES:**

INSURING AGREEMENTS	LIMIT OF INSURANCE Per Occurrence	DEDUCTIBLE AMOUNT Per Occurrence	PREMIUM
1. Employee Theft - Per Loss Coverage	\$ 900,000	\$ 500	INCLUDED
2. Employee Theft - Per Employee Coverage			
3. Forgery Or Alteration			
4. Inside The Premises - Theft Of Money And Securities			
5. Inside The Premises - Robbery Or Safe Burglary Of Other Property			
6. Outside The Premises			
7. Computer And Funds Transfer Fraud	\$ 900,000	\$ 500	INCLUDED
8. Money Orders And Counterfeit Paper Currency			
<b>If Added by Endorsement, Insuring Agreement(s):</b>			
HEAD OF THE CLASS	SEE FORM	SEE FORM	INCLUDED
FAITHFUL PERF OF DUTY COV-ADD	SEE FORM	\$ 0	INCLUDED
EXCESS LIMIT OF INS FOR SPEC EMPL	SEE FORM	\$ 0	INCLUDED
			<b>Total \$ 2,703.00</b>

Coverage is provided only if an amount is shown opposite an Insuring Agreement. If the amount is left blank or "Not Covered" is inserted, such Insuring Agreement and any other reference thereto in this policy are deleted.

**CANCELLATION OF PRIOR INSURANCE:** By acceptance of this Coverage Part, you give us notice cancelling prior policy Nos. \_\_\_\_\_

the cancellation to be effective at the time this Coverage Part becomes effective.

COUNTERSIGNED \_\_\_\_\_ (Date) BY: Sharon C Peck (Authorized Representative)

CPP 3724641  
**COMMERCIAL CRIME SUPPLEMENTAL DECLARATIONS**

**FORMS AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART WHEN ISSUED:**

KIDNAP EXPENSE COVERAGE FORM	SEE DEC	\$	0	INCLUDED
FRAUD IMPERSONATION FOR EMPLOYEES	\$1,000,000	\$	0	INCLUDED

## SUPPLEMENTAL DECLARATIONS

Named Insured: BETHLEHEM CENTRAL SCHOOL DISTRICT

Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:

FORM -----	EDITION -----	TITLE -----
IL0017	1198	COMMON POLICY CONDITIONS
IL0268	0114	NEW YORK CHANGES - CANCELLATION AND NONRENEWAL
IL0935	0701	EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES
CR0155	0717	NEW YORK CHANGES
CR0234	0114	NEW YORK CHANGES
CR0025	1115	GOVERNMENT CRIME COVERAGE FORM (LOSS SUSTAINED FORM)
8E26793	0719	HEAD OF THE CLASS UNI-FLEX
CR2519	0813	ADD FAITHFUL PERFORMANCE OF DUTY COVERAGE FOR GOVERNMENT EMPLOYEES
CR2512	1010	INCLUDE TREASURERS OR TAX COLLECTORS AS EMPLOYEES
CR2534	1010	ADD SCHEDULE EXCESS LIMIT OF INSURANCE FOR SPECIFIED EMPLOYEES OR PO
CR2513	1010	INCLUDE STUDENTS AS EMPLOYEES
8E2270	0196	SCHOOL SAFETY ASSOCIATION FORMAL RISK MANAGEMENT PROGRAM CREDIT
8C3714	0909	KIDNAP EXPENSE COVERAGE FORM
8D3714	0909	CRIME AND FIDELITY COVERAGE PART DECLARATIONS
8E3743	0110	AMENDMENT OF CHILD DEFINITION
CR0417	1115	FRAUDULENT IMPERSONATION
8E2291	0796	SCHOOL PROGRAM RENEWAL CREDIT

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM  
COMMERCIAL CRIME POLICY  
EMPLOYEE THEFT AND FORGERY POLICY  
GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY  
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

**A. The following is added to Exclusion D.1.b. Acts Committed By Your Employees Learned Of By You Prior To The Policy Period:**

However, this Paragraph D.1.b. does not apply to an "employee" who was convicted of one or more criminal offenses in this state or any other jurisdiction prior to becoming employed by you if, after learning about the "employee's" past criminal conviction or convictions, you made a determination to hire or retain the "employee" utilizing the factors set out in New York Correction Law Article 23-A.

**B. Under Section E. Conditions:**

**1. The following condition is added to Paragraph 1. Conditions Applicable To All Insuring Agreements:**

**Estimation Of Claims**

Upon request, we will furnish you, or your representative, with a written estimate of damages to real property, specifying all deductions, provided such an estimate has been prepared by us or has been prepared on our behalf for our own purposes. This estimate will be provided within 30 days after your request or its preparation, whichever is later.

**2. Paragraph (1) of the Termination As To Any Employee Condition is replaced by the following and supersedes any provision in this condition to the contrary:**

This insurance terminates as to any "employee":

**(1) As soon as:**

**(a) You; or**

**(b) Any of your partners, "members", "managers", officers, directors or trustees not in collusion with the "employee";**

learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

However, this Paragraph (1) does not apply to an "employee" whose "theft" or other dishonest act was committed prior to becoming employed by you and which resulted in the "employee" being convicted of one or more criminal offenses in this state or any other jurisdiction, if, after learning about the "employee's" past criminal conviction or convictions, you made a determination to hire or retain the "employee" utilizing the factors set out in New York Correction Law Article 23-A; or

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY  
EMPLOYEE THEFT AND FORGERY POLICY  
GOVERNMENT CRIME POLICY  
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY  
KIDNAP/RANSOM AND EXTORTION POLICY

**A. The Cancellation Of Policy Condition is replaced by the following:**

### **Cancellation Of Policy**

**(1)** The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.

### **(2) Cancellation Of Policies In Effect**

#### **(a) 60 Days Or Less**

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

**(i)** 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph **A.(2)(b)**.

**(ii)** 15 days before the effective date of cancellation if we cancel for any of the reasons included in Paragraph **A.(2)(b)** below.

#### **(b) More Than 60 Days**

If this policy has been in effect for more than 60 days, or if this policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed below, provided we mail the first Named Insured written notice at least 15 days before the effective date of cancellation:

**(i)** Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;

**(ii)** Conviction of a crime arising out of acts increasing the hazard insured against;

**(iii)** Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim;

**(iv)** After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;

**(v)** Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, which results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;

**(vi)** Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;

- (vii) A determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code; or
  - (viii) Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. If we cancel for this reason, you may make a written request to the Department of Financial Services, within 10 days of receipt of this notice, to review our cancellation decision. Also, we will simultaneously send a copy of this cancellation notice to the Department of Financial Services.
- (3) We will mail or deliver our notice, including the reason for cancellation, to the first Named Insured at the address shown in the policy and to the authorized agent or broker.
  - (4) Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
  - (5) If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata.  

However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.
  - (6) If notice is mailed, proof of mailing will be sufficient proof of notice.
- (7) If one of the reasons for cancellation in Paragraph **A.(2)(b)** exists, we may cancel this entire policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this policy.
- B.** The following are added and supersede any other provisions to the contrary:
- 1. Nonrenewal**  
 If we decide not to renew this policy, we will send notice as provided in Paragraph **B.3**.
  - 2. Conditional Renewal**  
 If we conditionally renew this policy subject to:
    - a. A change of limits;
    - b. A change in type of coverage;
    - c. A reduction of coverage;
    - d. An increased deductible;
    - e. An addition of exclusion; or
    - f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;
 we will send notice as provided in Paragraph **B.3**.
  - 3. Notices Of Nonrenewal And Conditional Renewal**
    - a. If we decide not to renew this policy or to conditionally renew this policy as provided in Paragraphs **B.1.** and **B.2.** above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 60 but not more than 120 days before:
      - (1) The expiration date; or
      - (2) The anniversary date if this is a continuous policy.
    - b. Notice will be mailed or delivered to the first Named Insured at the address shown in the policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.
    - c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.
    - d. If we violate any of the provisions of Paragraph **B.3.a.**, **B.3.b.** or **B.3.c.** by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:

- (1) And if notice is provided prior to the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60-day period, has replaced the coverage or elects to cancel;
  - (2) And if the notice is provided on or after the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.
- e. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
- (1) Upon expiration of the 60-day period, unless Subparagraph (2) below applies; or
  - (2) Notwithstanding the provisions in Paragraphs d.(1) and d.(2), as of the renewal date of the policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the policy.
- f. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the policy has been replaced or is no longer desired.

### C. Calculation Of Premium

1. For policies with fixed terms in excess of one year, or policies with no stated expiration date, except as provided in Paragraph 2., the following applies:

The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. On each renewal or continuation of this policy, we will compute the premium in accordance with our rates and rules then in effect.

2. For policies with fixed terms in excess of one year, where premium is computed and paid annually, the following applies:

- a. The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. Such rates and rules will be used to calculate the premium at each anniversary, for the entire term of the policy, unless the specific reasons described in Paragraph b. or c. apply.

- b. The premium will be computed based on the rates and rules in effect on the anniversary date of the policy only when, subsequent to the inception of the current policy period, one or more of the following occurs:

- (1) After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and that occurred subsequent to inception of the current policy period;

- (2) A material physical change in the property insured, occurring after issuance or last anniversary renewal date of the policy, causes the property to become uninsurable in accordance with underwriting standards in effect at the time the policy was issued or last renewed; or

- (3) A material change in the nature or extent of the risk, occurring after issuance or last anniversary renewal date of the policy, which causes the risk of "loss" to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed.
- c. If, subsequent to the inception of the current policy period, the Limit of Insurance is increased, or additional coverages or causes of loss are insured, the rate and rules in effect at the time of the change will be applied to calculate the premium and will continue to apply to the change at subsequent anniversary dates.
- D. The following provision applies when a policy is written on an annual aggregate limit of insurance basis:  
The annual aggregate limit of this policy will be increased in proportion to any policy extension provided in accordance with Paragraph **B.3.**, provided, however, that if the first Named Insured elects to accept the terms and conditions and rates of the conditional renewal notice, a new annual aggregate limitation shall become effective as of the inception date of the renewal, subject to regulations promulgated by the Superintendent of Financial Services.



## GOVERNMENT CRIME COVERAGE FORM (LOSS SUSTAINED FORM)

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is or is not covered.

Throughout this Policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

### A. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which a Limit Of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in Condition E.1.j. or E.1.k., which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition E.1.f.:

#### 1. Employee Theft - Per Loss Coverage

We 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 other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

#### 2. Employee Theft - Per Employee Coverage

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by each "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

#### 3. Forgery Or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- (1) Made or drawn by or drawn upon you;  
or

- (2) Made or drawn by one acting as your agent;

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

For the purposes of this Insuring Agreement, 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 you are sued for refusing to pay any instrument covered in Paragraph 3.a., on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay for such legal expenses is in addition to the Limit of Insurance applicable to this Insuring Agreement.

#### 4. Inside The Premises - Theft Of Money And Securities

We will pay for:

- a. Loss of "money" and "securities" inside the "premises" or "financial institution premises":

- (1) Resulting directly from "theft" committed by a person present inside such "premises" or "financial institution premises"; or

- (2) Resulting directly from disappearance or destruction.

- b. Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

- c. 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.

## 5. Inside The Premises - Robbery Or Safe Burglary Of Other Property

We will pay for:

- a. Loss of or damage to "other property":
  - (1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or
  - (2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".
- b. Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.
- c. 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".

## 6. Outside The Premises

We will pay for:

- a. 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. 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".

## 7. Computer And Funds Transfer Fraud

a. We will pay for:

- (1) Loss resulting directly from a fraudulent:
  - (a) Entry of "electronic data" or "computer program" into; or
  - (b) Change of "electronic data" or "computer program" within;  
any "computer system" owned, leased or operated by you, provided the fraudulent entry or fraudulent change causes, with regard to Paragraphs 7.a.(1)(a) and 7.a.(1)(b):
    - (i) "Money", "securities" or "other property" to be transferred, paid or delivered; or
    - (ii) Your account at a "financial institution" to be debited or deleted.

- (2) Loss resulting directly from a "fraudulent instruction" directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that account.

- b. As used in Paragraph 7.a.(1), fraudulent entry or fraudulent change of "electronic data" or "computer program" shall include such entry or change made by an "employee" acting, in good faith, upon a "fraudulent instruction" received from a computer software contractor who has a written agreement with you to design, implement or service "computer programs" for a "computer system" covered under this Insuring Agreement.

## 8. Money Orders And Counterfeit Money

We will pay for loss resulting directly from your having, in good faith, accepted in exchange for merchandise, "money" or services:

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

## B. Limit Of Insurance

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit Of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or coverages.

## C. Deductible

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

## D. Exclusions

1. This insurance does not cover:

### a. Acts Committed By You

Loss resulting from "theft" or any other dishonest act committed by you, whether acting alone or in collusion with other persons.

**b. Acts Committed By Your Employees Learned Of By You Prior To The Policy Period**

Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this insurance and you or any of your officials, not in collusion with the "employee", learned of such "theft" or dishonest act prior to the Policy Period shown in the Declarations.

**c. Acts Committed By Your Officials, Employees Or Representatives**

Loss resulting from "theft" or any other dishonest act committed by any of your officials, "employees" or authorized representatives:

- (1) Whether acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise;

except when covered under Insuring Agreement **A.1.** or **A.2.**

**d. Confidential Or Personal Information**

Loss resulting from:

- (1) The disclosure or use of another person's or organization's confidential or personal information; or
- (2) The disclosure of your confidential or personal information. However, this Paragraph **1.d.(2)** does not apply to loss otherwise covered under this insurance that results directly from the use of your confidential or personal information.

For the purposes of this exclusion, confidential or personal information includes, but is not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

**e. Data Security Breach**

Fees, costs, fines, penalties and other expenses incurred by you which are related to the access to or disclosure of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

**f. Governmental Action**

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

**g. Indirect Loss**

Loss that is an indirect result of an "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";
- (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance; or
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

**h. Legal Fees, Costs And Expenses**

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement **A.3.**

**i. Nuclear Hazard**

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**j. Pollution**

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**k. Virtual Currency**

Loss involving virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency.

**l. War And Similar Action**

Loss or damage resulting from:

- (1) War, including undeclared or civil war;

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
2. Insuring Agreements **A.1.** and **A.2.** do not cover:
- a. Bonded Employees**  
Loss caused by any "employee" required by law to be individually bonded.
  - b. Inventory Shortages**  
Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
    - (1) An inventory computation; or
    - (2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.
  - c. Trading**  
Loss resulting from trading, whether in your name or in a genuine or fictitious account.
  - d. Treasurers Or Tax Collectors**  
Loss caused by any treasurer or tax collector by whatever name known.
3. Insuring Agreements **A.4.**, **A.5.** and **A.6.** do not cover:
- a. Accounting Or Arithmetical Errors Or Omissions**  
Loss resulting from accounting or arithmetical errors or omissions.
  - b. Exchanges Or Purchases**  
Loss resulting from the giving or surrendering of property in any exchange or purchase.
  - c. Fire**  
Loss or damage resulting from fire, however caused, except:
    - (1) Loss of or damage to "money" and "securities"; and
    - (2) Loss from damage to a safe or vault.

**d. Money Operated Devices**

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. Motor Vehicles Or Equipment And Accessories**

Loss of or damage to motor vehicles, trailers or semitrailers or equipment and accessories attached to them.

**f. Transfer Or Surrender Of Property**

- (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "financial institution premises":
  - (a) On the basis of unauthorized instructions; or
  - (b) As a result of a threat including, but not limited to:
    - (i) A threat to do bodily harm to any person;
    - (ii) A threat to do damage to any property;
    - (iii) A threat to introduce a denial of service attack into any "computer system";
    - (iv) A threat to introduce a virus or other malicious instruction into any "computer system" which is designed to damage, destroy or corrupt "electronic data" or "computer programs" stored within the "computer system"; or
    - (v) A threat to disseminate, divulge or utilize:
      - i. Your confidential information;
      - ii. Confidential or personal information of another person or organization; or
      - iii. Weaknesses in the source code within any "computer system".
- (2) However, this exclusion does not apply under Insuring Agreement **A.6.** to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:
  - (a) Had no knowledge of any threat at the time the conveyance began; or

- (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

**g. Vandalism**

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. Voluntary Parting Of Title To Or Possession Of Property**

Loss resulting from your, or anyone else acting on your 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.7. does not cover:**

**a. Authorized Access**

Loss resulting from a fraudulent:

- (1) Entry of "electronic data" or "computer program" into; or

- (2) Change of "electronic data" or "computer program" within;

any "computer system" owned, leased or operated by you by a person or organization with authorized access to that "computer system", except when covered under Insuring Agreement **A.7.b.**

**b. Credit Card Transactions**

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.

**c. Exchanges Or Purchases**

Loss resulting from the giving or surrendering of property in any exchange or purchase.

**d. Fraudulent Instructions**

Loss resulting from an "employee" or "financial institution" acting upon any instruction to:

- (1) Transfer, pay or deliver "money", "securities" or "other property"; or

- (2) Debit or delete your account;

which instruction proves to be fraudulent, except when covered under Insuring Agreement **A.7.a.(2)** or **A.7.b.**

**e. Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or

- (2) A profit and loss computation.

**E. Conditions**

The following conditions apply in addition to the Common Policy Conditions:

**1. Conditions Applicable To All Insuring Agreements**

**a. Additional Premises Or Employees**

If, while this insurance is in force, you establish any additional "premises" or hire additional "employees", such "premises" and "employees" shall automatically be covered under this insurance. Notice to us of an increase in the number of "premises" or "employees" is not required, and no additional premium will be charged for the remainder of the Policy Period shown in the Declarations.

**b. Concealment, Misrepresentation Or Fraud**

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other Insured, at any time, intentionally conceals or misrepresents a material fact concerning:

- (1) This insurance;

- (2) The property covered under this insurance;

- (3) Your interest in the property covered under this insurance; or

- (4) A claim under this insurance.

**c. Cooperation**

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

**d. Duties In The Event Of Loss**

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property", you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement **A.1.**, **A.2.** or **A.3.**) involves a violation of law, you must also notify the local law enforcement authorities;

- (2) Give us a detailed, sworn proof of loss within 120 days;
- (3) Cooperate with us in the investigation and settlement of any claim;
- (4) Produce for our examination all pertinent records;
- (5) Submit to examination under oath at our request and give us a signed statement of your answers; and
- (6) Secure all of your rights of recovery against any person or organization responsible for the loss and do nothing to impair those rights.

**e. Employee Benefit Plans**

The employee benefit plans shown in the Declarations (hereafter referred to as Plan) are included as Insureds under Insuring Agreement **A.1.** or **A.2.**, subject to the following:

- (1) Any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.
- (2) The Deductible Amount applicable to Insuring Agreement **A.1.** or **A.2.** does not apply to loss sustained by any Plan.

**f. Extended Period To Discover Loss**

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you no later than one year 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 you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

**g. Joint Insured**

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (2) If any Insured or official of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.

- (3) An "employee" of any Insured is considered to be an "employee" of every Insured.
- (4) If this insurance or any of its coverages are cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you no later than one year 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 that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- (5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.
- (6) Payment by us to the first Named Insured for loss sustained by any Insured, or payment by us to any employee benefit plan for loss sustained by that Plan, shall fully release us on account of such loss.

**h. Legal Action Against Us**

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this insurance;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within two years from the date you "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.

**i. Liberalization**

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this insurance.

**j. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate**

**(1) Loss Sustained Partly During This Insurance And Partly During Prior Insurance**

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

- (a)** Partly during the Policy Period shown in the Declarations; and
- (b)** Partly during the policy period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this insurance became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the policy period(s) of the prior insurance.

**(2) Loss Sustained Entirely During Prior Insurance**

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the policy period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

- (a)** This insurance became effective at the time of cancellation of the prior insurance; and
- (b)** The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the policy period(s) of any other prior insurance.

**(3) In settling loss under Paragraphs j.(1) and j.(2):**

- (a)** The most we 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 insurance or was written under the prior insurance issued by us.

- (b)** We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this insurance. If no loss was sustained under this insurance, we 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 insurance, or the most recent prior insurance, we will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

We will not apply any other Deductible Amount that may have been applicable to the loss.

- (4)** The following examples demonstrate how we will settle losses subject to this condition:

**Example Number 1**

The Insured sustained a covered loss of \$10,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

**Policy A**

The current policy. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

**Policy B**

Issued prior to Policy A. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

**Settlement Of Loss**

The amount of loss sustained under Policy A is \$2,500 and under Policy B, \$7,500.

The highest single Limit of Insurance applicable to this entire loss is \$50,000 written under Policy A. The Policy A Deductible Amount of \$5,000 applies. The loss is settled as follows:

- (a)** The amount of loss sustained under Policy A (\$2,500) is settled first. The amount we will pay is nil (\$0.00) because the amount of loss is less than the Deductible Amount (i.e., \$2,500 loss \$5,000 deductible = \$0.00).

- (b) The remaining amount of loss sustained under Policy B (\$7,500) is settled next. The amount recoverable is \$5,000 after the remaining Deductible Amount from Policy A of \$2,500 is applied to the loss (i.e., \$7,500 loss \$2,500 deductible = \$5,000).

The most we will pay for this loss is \$5,000.

### Example Number 2

The Insured sustained a covered loss of \$250,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

#### Policy A

The current policy. Written at a Limit of Insurance of \$125,000 and a Deductible Amount of \$10,000.

#### Policy B

Issued prior to Policy A. Written at a Limit of Insurance of \$150,000 and a Deductible Amount of \$25,000.

#### Settlement Of Loss

The amount of loss sustained under Policy A is \$175,000 and under Policy B, \$75,000.

The highest single Limit of Insurance applicable to this entire loss is \$150,000 written under Policy B. The Policy A Deductible Amount of \$10,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy A (\$175,000) is settled first. The amount we will pay is the Policy A Limit of \$125,000 because \$175,000 loss \$10,000 deductible = \$165,000, which is greater than the \$125,000 policy limit.
- (b) The remaining amount of loss sustained under Policy B (\$75,000) is settled next. The amount we will pay is \$25,000 (i.e., \$150,000 Policy B limit \$125,000 paid under Policy A = \$25,000).

The most we will pay for this loss is \$150,000.

### Example Number 3

The Insured sustained a covered loss of \$2,000,000 resulting directly from an "occurrence" taking place during the terms of Policies A, B, C and D.

#### Policy A

The current policy. Written at a Limit of Insurance of \$1,000,000 and a Deductible Amount of \$100,000.

#### Policy B

Issued prior to Policy A. Written at a Limit of Insurance of \$750,000 and a Deductible Amount of \$75,000.

#### Policy C

Issued prior to Policy B. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

#### Policy D

Issued prior to Policy C. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

#### Settlement Of Loss

The amount of loss sustained under Policy A is \$350,000; under Policy B, \$250,000; under Policy C, \$600,000; and under Policy D, \$800,000.

The highest single Limit of Insurance applicable to this entire loss is \$1,000,000 written under Policy A. The Policy A Deductible Amount of \$100,000 applies. The loss is settled as follows:

- (a) The amount of loss sustained under Policy A (\$350,000) is settled first. The amount we will pay is \$250,000 (i.e., \$350,000 loss \$100,000 deductible = \$250,000).
- (b) The amount of loss sustained under Policy B (\$250,000) is settled next. The amount we will pay is \$250,000 (no deductible is applied).
- (c) The amount of loss sustained under Policy C (\$600,000) is settled next. The amount we will pay is \$500,000, the policy limit (no deductible is applied).
- (d) We will not make any further payment under Policy D, as the maximum amount payable under the highest single Limit of Insurance applying to the loss of \$1,000,000 under Policy A has been satisfied.

The most we will pay for this loss is \$1,000,000.



**k. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate**

- (1) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the policy period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this insurance, provided:
- (a) This insurance became effective at the time of cancellation of the prior insurance; and
  - (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".
- (2) In settling loss subject to this condition:
- (a) The most we 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 insurance or was written under the prior cancelled insurance.
  - (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the 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 **E.1.j.**, the amount recoverable under this condition is part of, not in addition to, the amount recoverable under Condition **E.1.j.**
  - (b) For loss covered under this condition that is not subject to Paragraph **k.(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 insurance and is limited to the lesser of the amount recoverable under:
    - (i) This insurance as of its effective date; or
    - (ii) The prior cancelled insurance had it remained in effect.

**l. Other Insurance**

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

**(1) Primary Insurance**

When this insurance is written as primary insurance, and:

- (a) You have other insurance subject to the same terms and conditions as this insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit Of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.
- (b) You have other insurance covering the same loss other than that described in Paragraph **l.(1)(a)**, we will only pay for the amount of loss that exceeds:
  - (i) The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or
  - (ii) The Deductible Amount shown in the Declarations;whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

**(2) Excess Insurance**

- (a) When this insurance is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.
- (b) However, if loss covered under this insurance is subject to a deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

**m. Ownership Of Property; Interests Covered**

The property covered under this insurance is limited to property:

- (1) That you own or lease;

- (2) That is held by you in any capacity; or
- (3) For which you are legally liable, provided you were liable for the property prior to the time the loss was sustained.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

**n. Records**

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

**o. Recoveries**

- (1) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or by you, shall be applied net of the expense of such recovery:
  - (a) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;
  - (b) Second, to us in satisfaction of amounts paid in settlement of your claim;
  - (c) Third, to you in satisfaction of any Deductible Amount; and
  - (d) Fourth, to you in satisfaction of any loss not covered under this insurance.
- (2) Recoveries do not include any recovery:
  - (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
  - (b) Of original "securities" after duplicates of them have been issued.

**p. Territory**

This insurance covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions) and Puerto Rico.

**q. Transfer Of Your Rights Of Recovery Against Others To Us**

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

**r. Valuation - Settlement**

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

**(1) Money**

Loss of "money" but only up to and including its face value.

**(2) Securities**

Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

- (a) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
- (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we 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:
  - (i) Market value of the "securities" at the close of business on the day the loss was "discovered"; or
  - (ii) Limit of Insurance applicable to the "securities".

**(3) Property Other Than Money And Securities**

- (a) 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, we will not pay more than the least of the following:
  - (i) The Limit of Insurance applicable to the lost or damaged property;
  - (ii) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
  - (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

(b) We will not pay on a replacement cost basis for any loss or damage to property covered under Paragraph **r.(3)(a)**:

(i) Until the lost or damaged property is actually repaired or replaced; and

(ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

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

(c) Any property that we pay for or replace becomes our property.

## **2. Conditions Applicable To Insuring Agreements A.1. And A.2.**

### **a. Indemnification**

We will indemnify any of your officials who are required by law to give individual bonds for the faithful performance of their duties against loss through "theft" committed by "employees" who serve under them, subject to the applicable Limit of Insurance.

### **b. Termination As To Any Employee**

These Insuring Agreements terminate as to any "employee":

(1) As soon as:

(a) You; or

(b) Any of your officials or employees authorized to manage, govern or control your "employees" not in collusion with the "employee";

learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you; or

(2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

### **c. Territory**

We will pay for loss caused by any "employee" while temporarily outside the territory specified in Territory Condition **E.1.p.** for a period of not more than 90 consecutive days.

## **3. Conditions Applicable To Insuring Agreement A.3.**

### **a. Deductible Amount**

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement **A.3.**

### **b. Electronic And Mechanical Signatures**

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

### **c. Proof Of Loss**

You must include with your 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.

### **d. Territory**

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.p.** does not apply to Insuring Agreement **A.3.**

## **4. Conditions Applicable To Insuring Agreements A.5. And A.6.**

### **a. Armored Motor Vehicle Companies**

Under Insuring Agreement **A.6.**, we will only pay for the amount of loss you cannot recover:

(1) Under your contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

### **b. Special Limit Of Insurance For Specified Property**

We 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.

## **5. Conditions Applicable To Insuring Agreement A.7.**

### **a. Special Limit Of Insurance For Specified Property**

We 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.

**b. Territory**

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.p.** does not apply to Insuring Agreement **A.7.**

**F. Definitions**

1. "Computer program" means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enable the computer or devices to receive, process, store or send "electronic data".
2. "Computer system" means:
  - a. Computers, including Personal Digital Assistants (PDAs) and other transportable or handheld devices, electronic storage devices and related peripheral components;
  - b. Systems and applications software; and
  - c. Related communications networks;by which "electronic data" is collected, transmitted, processed, stored or retrieved.
3. "Counterfeit money" means an imitation of "money" which is intended to deceive and to be taken as genuine.
4. "Custodian" means you 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 the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance 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.  
  
"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance.
6. "Electronic data" means information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on data storage devices, including hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**7. "Employee":**

- a. Means:**
- (1) Any natural person:
    - (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any other dishonest act committed by the "employee";
    - (b) Whom you compensate directly by salary, wages or commissions; and
    - (c) Whom you have the right to direct and control while performing services for you;
  - (2) Any natural person who is furnished temporarily to you:
    - (a) To substitute for a permanent "employee", as defined in Paragraph **7.a.(1)**, who is on leave; or
    - (b) To meet seasonal or short-term workload conditions;while that person is subject to your direction and control and performing services for you;
  - (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in Paragraph **7.a.(2)**;
  - (4) Any natural person who is:
    - (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan(s); or
    - (b) Your official while that person is engaged in handling "money", "securities" or "other property" of any employee benefit plan;
  - (5) Any natural person who is a former official, "employee" or trustee retained by you as a consultant while performing services for you; and
  - (6) Any natural person who is a guest student or intern pursuing studies or duties.
- b. Does not mean:**
- Any agent, independent contractor or representative of the same general character not specified in Paragraph **7.a.**

8. "Financial institution" means:
- a. With regard to Insuring Agreement **A.4.**:
    - (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution; or
    - (2) An insurance company.
  - b. With regard to Insuring Agreement **A.7.**:
    - (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution;
    - (2) An insurance company; or
    - (3) A stock brokerage firm or investment company.
  - c. Other than Insuring Agreements **A.4.** and **A.7.**, any financial institution.
9. "Financial institution premises" means the interior of that portion of any building occupied by a "financial institution" as defined in Paragraph **F.8.a.**
10. "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.
11. "Fraudulent instruction" means:
- a. With regard to Insuring Agreement **A.7.a.(2)**:
    - (1) A computer, telefacsimile, telephone or other electronic instruction directing a "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", which instruction purports to have been issued by you, but which in fact was fraudulently issued by someone else without your knowledge or consent; or
    - (2) A written instruction (other than those covered under Insuring Agreement **A.3.**) issued to a "financial institution" directing the "financial institution" to debit your "transfer account" and to transfer, pay or deliver "money" or "securities" from that "transfer account", through an electronic funds transfer system at specified times or under specified conditions, which instruction purports to have been issued by you, but which in fact was issued, forged or altered by someone else without your knowledge or consent.
  - b. With regard to Insuring Agreement **A.7.b.**:
 

A computer, telefacsimile, telephone or other electronic, written or voice instruction directing an "employee" to enter or change "electronic data" or "computer programs" within a "computer system" covered under the Insuring Agreement, which instruction in fact was fraudulently issued by your computer software contractor.
12. "Messenger" means you or any "employee" while having care and custody of property outside the "premises".
13. "Money" means:
- a. Currency, coins and bank notes in current use and having a face value;
  - b. Traveler's checks and money orders held for sale to the public; and
  - c. In addition, includes:
    - (1) Under Insuring Agreements **A.1.**, **A.2.** and **A.3.**, deposits in your account at any "financial institution"; and
    - (2) Under Insuring Agreement **A.7.**, deposits in your account at a "financial institution" as defined in Paragraph **F.8.b.**
14. "Occurrence" means:
- a. Under Insuring Agreement **A.1.**:
    - (1) An individual act;
    - (2) The combined total of all separate acts whether or not related; or
    - (3) 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 Condition **E.1.j.** or **E.1.k.**
  - b. Under Insuring Agreement **A.2.**:
    - (1) An individual act;
    - (2) The combined total of all separate acts whether or not related; or
    - (3) A series of acts whether or not related; committed by each "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.j.** or **E.1.k.**
  - c. Under Insuring Agreement **A.3.**:
    - (1) An individual act;
    - (2) The combined total of all separate acts whether or not related; or
    - (3) 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 Condition **E.1.j.** or **E.1.k.**

**d.** Under all other Insuring Agreements:

- (1)** An individual act or event;
- (2)** The combined total of all separate acts or events whether or not related; or
- (3)** 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 Condition **E.1.j.** or **E.1.k.**

- 15.** "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 insurance.
- 16.** "Premises" means the interior of that portion of any building you occupy in conducting your business.
- 17.** "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.
- 18.** "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".

- 19.** "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
  - a.** 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 you; but does not include "money".
- 20.** "Theft" means the unlawful taking of property to the deprivation of the Insured.
- 21.** "Transfer account" means an account maintained by you at a "financial institution" from which you can initiate the transfer, payment or delivery of "money" or "securities":
  - a.** By means of computer, telefacsimile, telephone or other electronic instructions; or
  - b.** By means of written instructions (other than those covered under Insuring Agreement **A.3.**) establishing the conditions under which such transfers are to be initiated by such "financial institutions" through an electronic funds transfer system.
- 22.** "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADD FAITHFUL PERFORMANCE OF DUTY COVERAGE FOR GOVERNMENT EMPLOYEES**

This endorsement modifies insurance provided under the following:

- GOVERNMENT CRIME COVERAGE FORM
- GOVERNMENT CRIME POLICY
- GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

and applies to the Insuring Agreements designated below:

**SCHEDULE**

Insuring Agreement	Limit Of Insurance
<input checked="" type="checkbox"/> Employee Theft - Per Loss Coverage	\$ 900,000
<input checked="" type="checkbox"/> Employee Theft - Per Employee Coverage	\$ SEE 8E2679-3

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A. The following is added to the Employee Theft Insuring Agreement designated above:  
We will pay for loss or damage to "money", "securities" and "other property" resulting directly from the failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property. The most we will pay for loss arising out of any one "occurrence" is the Limit Of Insurance shown in the Schedule. That Limit is part of, not in addition to, the Limit Of Insurance shown in the Declarations.
- B. The following exclusions are added to Section D.2. Exclusions:
  - a. Loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.
  - b. Damages for which you are legally liable as a result of:
    - (1) The deprivation or violation of the civil rights of any person by an "employee"; or
    - (2) The tortious conduct of an "employee", except the conversion of property of other parties held by you in any capacity.
- C. The **Indemnification** Condition is replaced by the following:  
**Indemnification**  
We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their duties against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property.
- D. Paragraph (1) of the **Termination As To Any Employee** Condition is replaced by the following:
  - (1) As soon as:
    - (a) You; or
    - (b) Any official or employee authorized to manage, govern or control your "employees" not in collusion with the "employee";
 learns of any act committed by the "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of the Employee Theft Insuring Agreement, as amended by this endorsement; or
- E. The coverage provided by this endorsement does not apply to any employee benefit plan covered under the Employee Theft Insuring Agreement shown in the Schedule.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**INCLUDE TREASURERS OR TAX COLLECTORS  
AS EMPLOYEES**

This endorsement modifies insurance provided under the following:

- GOVERNMENT CRIME COVERAGE FORM
- GOVERNMENT CRIME POLICY
- GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

**SCHEDULE**

<b>Treasurers Or Tax Collectors</b>	
ALL TREASURERS OR TAX COLLECTORS	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

1. The definition of "employee" is amended to include your treasurers or tax collectors shown in the Schedule.
2. Exclusion D.2.d. **Treasurers Or Tax Collectors** is deleted.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADD SCHEDULE EXCESS LIMIT OF INSURANCE  
FOR SPECIFIED EMPLOYEES OR POSITIONS**

This endorsement modifies insurance provided under the following:

- COMMERCIAL CRIME COVERAGE FORM
- COMMERCIAL CRIME POLICY
- EMPLOYEE THEFT AND FORGERY POLICY
- GOVERNMENT CRIME COVERAGE FORM
- GOVERNMENT CRIME POLICY
- GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

and applies to the Employee Theft Insuring Agreement:

**SCHEDULE**

Item No.	Name Schedule Coverage			
	Names Of Covered "Employees"			Excess Limit Of Insurance Each "Employee"
				\$
				\$
				\$
Item No.	Position Schedule Coverage			
	Titles Of Covered Positions	Locations Of Covered Positions	Number Of "Employees" Each Position	Excess Limit Of Insurance Each "Employee"
1	SEE 8E2679-3	ALL		\$ 1,000,000
2	DEPUTY TREASURER	ALL	1	\$ 1,000,000
				\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.				

1. The Excess Limit Of Insurance shown in the Schedule applies to each "employee" who is named or who holds a position shown in the Schedule opposite that limit.
2. The Excess Limit of Insurance applies only to that part of any covered loss that exceeds the Limit Of Insurance shown in the Declarations for the Employee Theft Insuring Agreement plus any applicable Deductible Amount.
3. The Excess Limit of Insurance applies only to loss caused by an identified "employee".
4. If the Excess Limit of Insurance is scheduled on a position basis, the most we will pay for an "employee" holding more than one position is the largest Excess Limit of Insurance in effect and applicable to any one of those positions at the time of loss.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **INCLUDE STUDENTS AS EMPLOYEES**

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY  
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

and applies to the Employee Theft Insuring Agreement:

1. The definition of "employee" is amended to include any student enrolled in a school under your jurisdiction while the student is handling or has possession of property or funds in connection with sanctioned student activities.
2. Exclusion D.2.d. Treasurers Or Tax Collectors is deleted.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## FRAUDULENT IMPERSONATION

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM  
COMMERCIAL CRIME POLICY  
GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY

### SCHEDULE

Check the appropriate box(es):

**I. Fraudulent Impersonation Of "Employees" Included:** Yes  No

A. Verification Is Required For All "Transfer Instructions"

B. Verification Is Required For All "Transfer Instructions" In Excess Of \$

C. Verification Of "Transfer Instructions" Is Not Required

**II. Fraudulent Impersonation Of "Customers" And "Vendors" Included:** Yes  No

A. Verification Is Required For All "Transfer Instructions"

B. Verification Is Required For All "Transfer Instructions" In Excess Of \$

C. Verification Of "Transfer Instructions" Is Not Required

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

With regard to this Fraudulent Impersonation endorsement, the provisions of the Coverage Form or Policy to which this endorsement is attached apply, unless modified by this endorsement.

**A. The following Insuring Agreement is added to Section A. Insuring Agreements:**

#### **Fraudulent Impersonation**

##### **1. "Employees" (if indicated in Section I. of the Schedule)**

We will pay for loss resulting directly from your having, in good faith, transferred "money", "securities" or "other property" in reliance upon a "transfer instruction" purportedly issued by:

- a. An "employee", or any of your partners, "members", "managers", officers, directors or trustees, or you (if you are a sole proprietorship) if coverage is written under the Commercial Crime Coverage Form or Commercial Crime Policy; or

- b. An "employee", or any of your officials if coverage is written under the Government Crime Coverage Form or Government Crime Policy;

but which "transfer instruction" proves to have been fraudulently issued by an imposter without the knowledge or consent of the person in Paragraph 1.a. or 1.b.

**2. "Customers" And "Vendors" (If indicated in Section II. of the Schedule)**

We will pay for loss resulting directly from your having, in good faith, transferred "money", "securities" or "other property" in reliance upon a "transfer instruction" purportedly issued by your "customer" or "vendor", but which "transfer instruction" proves to have been fraudulently issued by an imposter without the knowledge or consent of the "customer" or "vendor".

**3. Verification**

- a. The following is a precondition to coverage under this Insuring Agreement:
  - (1) If option I.A. and/or II.A. is selected in the Schedule, you shall verify all "transfer instructions"; or
  - (2) If option I.B. and/or II.B. is selected in the Schedule, you shall verify all "transfer instructions" in excess of the amount shown;

according to a pre-arranged callback or other established verification procedure before acting upon any such "transfer instruction".

- b. If option I.C. and/or II.C. is selected in the Schedule, verification of "transfer instructions" is not a precondition to coverage under this insuring agreement.

**B. Under Section E. Conditions:**

The **Territory** Condition is replaced by the following:

**Territory**

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world.

**C. The following definitions are added to Section F. Definitions:**

- 1. "Customer" means an entity or individual to whom you sell goods or provide services under a written contract.
- 2. "Transfer instruction" means an instruction directing you to transfer "money", "securities" or "other property".
- 3. "Vendor" means an entity or individual from whom you purchase goods or receive services under a written contract.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
1. The failure, malfunction or inadequacy of:
    - a. Any of the following, whether belonging to any insured or to others:
      - (1) Computer hardware, including microprocessors;
      - (2) Computer application software;
      - (3) Computer operating systems and related software;
      - (4) Computer networks;
      - (5) Microprocessors (computer chips) not part of any computer system; or
      - (6) Any other computerized or electronic equipment or components; or
    - b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
  2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
1. In a Covered Cause of Loss under the Boiler And Machinery Coverage Part, the Commercial Crime Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
  2. Under the Commercial Property Coverage Part:
    - a. In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or
    - b. In a Covered Cause of Loss under the Causes Of Loss - Basic Form or the Causes Of Loss - Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

# KIDNAP EXPENSE COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

## A. Kidnap Expenses Incurred

We will reimburse you for "expenses" incurred and paid by:

1. You; or
2. "Parents"

resulting directly from a "kidnap" or alleged "kidnap" of a "child" taking place during the Policy Period shown in the Declarations and reported to us during the Policy Period or during the Extended Reporting Period.

## B. Limits Of Insurance

1. The most we will pay for all "expenses" resulting directly from an "occurrence" is the applicable Limit of Insurance shown in the Declarations.
2. The most we will pay in the aggregate for all "expenses" during the policy period, regardless of the number of "occurrences" is the Policy Aggregate Limit of Insurance shown in the Declarations.
3. The Policy Aggregate Limit of Insurance shall be reduced by the amount of any payment made by us under the terms of this insurance. If the Policy Aggregate Limit of Insurance is exhausted, we will have no further liability to pay for "expenses" incurred during the remainder of the policy period.

## C. Deductible

We will not pay for "expenses" resulting directly from an "occurrence" unless the amount of "expenses" exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of "expenses" in excess of the Deductible Amount, up to the Limit of Insurance.

## D. Exclusions

This policy does not cover:

### 1. Acts Committed By You, Parents or Any Insured Person

"Expenses" resulting from any dishonest, fraudulent or criminal act committed by:

- a. You;
- b. "Parents" or agents thereof; or
- c. Any "insured person".

### 2. Defense Costs

"Expenses" resulting from any defense costs or legal liability for regulatory, administrative, judicial or other hearings, claims, or lawsuits, arising out of a "kidnap" or alleged "kidnap".

### 3. Ransom/Extortion Payments

"Expenses" resulting from any ransom payment, extortion payment or demand for money.

## E. Conditions

### 1. Confidentiality

You must make every reasonable effort not to divulge the existence of this insurance.

### 2. Other Conditions

Wherever used in the Conditions, the word loss shall also be deemed to mean "expenses".

#### a. Additional Premises

If, while this insurance is in force, you establish any additional "premises" other than by consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "premises" shall automatically be covered under this insurance. Notice to us of an increase in the number of "premises" need not be given and no additional premium need be paid for the remainder of the Policy Period shown in the Declarations.

**b. Concealment, Misrepresentation Or Fraud**

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- (1) This insurance;
- (2) A person insured under this insurance; or
- (3) A claim under this insurance.

**c. Consolidation - Merger Or Acquisition**

If you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

- (1) You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this policy to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but
- (2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this insurance shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

**d. Cooperation**

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

**e. Due Diligence**

You must exercise due diligence in doing all things reasonably practicable to avoid or diminish any loss covered under this insurance.

**f. Duties In The Event Of An Occurrence**

In the event of an "occurrence" which may result in a loss covered under this insurance, you must:

- (1) Determine that the "kidnap" has actually occurred.
- (2) In regard to a "kidnap" make every reasonable effort to:

- (a) Notify an associate;
  - (b) Notify the local law enforcement authorities; and
  - (c) Notify the Federal Bureau of Investigation;
- before incurring any "expenses".

- (3) Notify us as soon as possible.
- (4) Submit to examination under oath at our request and give us a signed statement of your answers.
- (5) Produce for our examination all pertinent records.
- (6) Give us a detailed, sworn proof of loss within 120 days.
- (7) Cooperate with us in the investigation and settlement of any claim.

**g. Extended Reporting Period**

We will pay for loss that you sustain prior to the effective date of cancellation of this insurance which is reported to us no later than 30 days from the date of that cancellation.

**h. Joint Insured**

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (2) If any Insured, or partner, "member", official or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- (3) If this insurance or any of its coverages is cancelled as to any Insured, loss sustained by that Insured is covered only if reported to us no later than 30 days from the date of cancellation.
- (4) We will not pay more for loss or losses sustained by more than one Insured than the amount we would pay if all the loss or losses had been sustained by one Insured.
- (5) Payment by us to the first Named Insured for loss sustained by any Insured shall fully release us on account of such loss.



**i. Legal Action Against Us**

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this insurance;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within 2 years from the date you reported the loss to us.

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.

**j. Liberalization**

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this insurance.

**k. Other Insurance**

If other valid and collectible insurance is available to you for a loss we cover under this insurance, our obligations are limited as follows:

**(1) Primary Insurance**

When this insurance is written as primary insurance, and:

- (a) You have other insurance subject to the same terms and conditions as this insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total limit of all other insurance covering the same loss.
- (b) You have other insurance covering the same loss other than that described in Paragraph **k.(1)(a)** we will only pay for the amount of loss that exceeds:
  - (i) The Limit of Insurance and Deductible Amount, if any, of that other insurance, whether you can collect on it or not; or
  - (ii) The Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

**(2) Excess Insurance**

- (a) When this insurance is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.
- (b) However, if loss covered under this insurance is subject to a Deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

**l. Recoveries**

- (1) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or you, shall be applied net of the expense of such recovery:
  - (a) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;
  - (b) Second, to us in satisfaction of amounts paid in settlement of your claim;
  - (c) Third, to you in satisfaction of any Deductible Amount; and
  - (d) Fourth, to you in satisfaction of any loss not covered under this insurance.
- (2) Recoveries do not include any recovery:
  - (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
  - (b) Of original securities after duplicates of them have been issued.

**m. Territory**

This insurance covers loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world, unless modified in the Declarations.

**n. Transfer Of Your Rights Of Recovery Against Others To Us**

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

**F. Definitions**

1. "Child" means a child less than 17 years of age who is:
  - a. Enrolled in your institution or registered with your organization; and
  - b. Under your care, custody or control at the time of "kidnap".
2. "Expenses":
  - a. "Expenses" mean:
    - (1) Fees and costs of the security firm hired to negotiate or secure the release of a "child";
    - (2) Fees and costs of independent negotiators;
    - (3) Fees and costs of independent public relations consultants and/or interpreters;
    - (4) Travel costs and accommodations incurred by you or "parents" while attempting to resolve a "kidnap";
    - (5) Lost salary, commissions and other financial benefits that the "parents" would have normally earned;
    - (6) Fees and costs for psychological or psychiatric counseling for the benefit of "parents" or siblings of the "child" within 12 months after the date of "kidnap";
    - (7) Hospitalization and medical service fees and costs, including psychiatric care and cosmetic or plastic surgery of a "child" within 24 months following their release;
    - (8) Fees and costs of independent forensic analysts;
    - (9) Reward money paid by you to an "informant" which leads to the arrest and conviction of parties responsible for loss covered under this insurance;

(10) Funeral and burial expenses of a "child" in the event of his/her death resulting from a "kidnap"; and

(11) Any other reasonable expenses incurred by you with our written consent.

**b. "Expenses" do not include:**

Loss of earnings and any other costs incurred by you as a result of an interruption to your business.

3. "Informant" means a person, other than a "child" providing information not otherwise obtainable, solely in return for a reward offered by you.
  4. "Insured person" means any director, trustee, partner, "member", "manager", official, employee, proprietor (if the Insured is a sole proprietorship) of any Insured, unless excluded in the Declarations;
  5. "Kidnap" means the involuntary abduction by force or otherwise of a "child" by someone other than a "parent" or an agent thereof, from the "premises" of the insured or any other premises while such "child" is under the care, custody or control of the insured.
  6. "Manager" means a person serving in a directorial capacity for a limited liability company.
  7. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
  8. "Occurrence" means a "kidnap" or alleged "kidnap" resulting from:
    - a. An act or series of related acts involving one or more persons; or
    - b. An act or event, or a series of related acts or events other than in Paragraph 8.a.
- However we will not pay for any loss resulting from "kidnap" or alleged "kidnap", which is part of a series of related acts that began prior to the effective date of this insurance.
9. "Parents" means the natural and legal parents, step-parents, foster parents or guardians of a "child" regardless of who has legal custody.
  10. "Premises" means any building you occupy in conducting your business.



POLICY NUMBER:

NAMED INSURED:

MAILING ADDRESS:

FORM OF BUSINESS:

BUSINESS DESCRIPTION:

POLICY PERIOD: FROM \_\_\_\_\_ TO \_\_\_\_\_ 12:01 A.M. Standard Time at your address shown above.

**CRIME AND FIDELITY COVERAGE PART DECLARATIONS  
 (KIDNAP EXPENSE COVERAGE)**

The Crime And Fidelity Coverage Part (Kidnap Expense Coverage) consists of this Declarations Form and the Kidnap Expense Coverage Form.

Coverage Is Written:

Primary       Excess       Coindemnity       Concurrent

**INSURING AGREEMENTS, LIMITS OF INSURANCE AND DEDUCTIBLES:**

INSURING AGREEMENTS	LIMIT OF INSURANCE Per Occurrence	LIMIT OF INSURANCE Policy Aggregate	DEDUCTIBLE AMOUNT Per Occurrence	PREMIUM
1. Kidnap Expenses Incurred	\$ 50,000	\$ 50,000	\$ 2,500	\$ 100
If Added by Endorsement, Insuring Agreement(s):	\$		\$	\$
	\$		\$	\$
			<b>Total \$</b>	<b>100.00</b>

Coverage is provided only if an amount is shown opposite an Insuring Agreement. If the amount is left blank or "Not Covered" is inserted, such Insuring Agreement and any other reference thereto in this policy is deleted.

Persons Or Classes Of Persons Excluded From Coverage:

**CANCELLATION OF PRIOR INSURANCE:** By acceptance of this Coverage Part, you give us notice cancelling prior policy Nos. \_\_\_\_\_

the cancellation to be effective at the time this Coverage Part becomes effective.

COUNTERSIGNED \_\_\_\_\_ (Date) BY: Sharon C Peck (Authorized Representative)

# **COMMERCIAL CRIME SUPPLEMENTAL DECLARATIONS**

**FORMS AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART WHEN ISSUED:**

Effective Date:\*\*  
(12:01 A.M. Standard Time)

\*\*Not required if included at policy inception.

## HEAD OF THE CLASS UNI-FLEX ENDORSEMENT

This endorsement modifies insurance provided under the following:

### GOVERNMENT CRIME COVERAGE PART

This endorsement must be used with endorsements 8-E-2679-1 and 8-E-2679-2.

If there is other valid and collectible insurance available to you in other coverage purchased under this policy for any loss, damage or "loss" we also cover under this endorsement, the insurance provided under this endorsement is primary.

The following is a summary of the additional coverages, including limits of insurance, provided by this endorsement. Coverage is provided only for those insuring agreements that are listed under Coverage in the Schedule. For complete details on specific coverages, consult the applicable forms. The Deductible amount stated in the Schedule below replaces the Deductible amount shown in the Declarations as respects such enhancement.

### SCHEDULE

**Premium:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Enhancement No.	Coverage	Limit of Insurance	Deductible	Covered Causes of Loss	Applicable Coverage Forms
	Government Crime Coverage Form (Loss Sustained Form):				CR 00 25
1.	Employee Theft - Per Employee Coverage	\$100,000 Per Employee	\$500	Per Coverage Forms	CR 00 25, CR 25 19, and CR 25 12
2.	Forgery Or Alteration	\$100,000 Per Occurrence	\$500	Per Coverage Forms	CR 00 25

<b>Enhancement No.</b>	<b>Coverage</b>	<b>Limit of Insurance</b>	<b>Deductible</b>	<b>Covered Causes of Loss</b>	<b>Applicable Coverage Forms</b>
3.	Inside The Premises - Theft Of Money And Securities	\$25,000 Per Occurrence	\$500	Per Coverage Forms	CR 00 25
4.	Outside The Premises - Theft Of Money And Securities	\$25,000 Per Occurrence	\$500	Per Coverage Forms	CR 00 25
5.	Excess Employee Theft Coverage				
	- Tax Collector	\$1,000,000 Per Tax Collector	Nil	Per Coverage Forms	CR 00 25, CR 25 19, CR 25 12 and CR 25 34
	- Treasurer	\$1,000,000 Per Treasurer	Nil	Per Coverage Forms	CR 00 25, CR 25 19, CR 25 12 and CR 25 34
	- Internal Auditor	\$1,000,000 Per Auditor	Nil	Per Coverage Forms	CR 00 25, CR 25 19 and CR 25 34
6.	Computer And Funds Transfer Fraud	\$100,000	\$500	Per Coverage Forms	CR 00 25

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT OF CHILD DEFINITION**

This endorsement modifies insurance provided under the following:

KIDNAP EXPENSE COVERAGE FORM

Under Definitions, "Child" is replaced by the following:

1. "Child" means an individual less than or equal to 19 years of age who is:
  - a. Enrolled in your institution or registered with your organization; and
  - b. Under your care, custody or control at the time of "kidnap".