

ASSET PROTECTION POLICY

Crime Protection Coverage Section

In consideration of the payment of the premium, and subject to the Declarations, Insuring Clauses, Definitions, Exclusions, Conditions and other terms of this Coverage Section, we will pay for loss that you sustain resulting directly from acts committed or events occurring at any time and discovered by you during the **Policy Period** shown in Item 2. of the Declarations or during the period of time provided in the Extended Period to Discover Loss, Condition G.

Throughout this Coverage Section the words "you" and "your" refer to the **Insured** as defined in this Coverage Section.

I. INSURING CLAUSES

A. Employee Theft

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

B. ERISA Theft

The Insurer will pay for direct loss of **Money, Securities or Other Property** incurred by an **Employee Benefit Plan** resulting directly from **Theft** committed by a **Covered Person**. Coverage afforded by this Insuring Clause extends only to **Employee Benefit Plans**.

C. Client Property

The Insurer will pay for loss of **Money, Securities, or Other Property** sustained by a **Client** of the **Insured**, resulting directly from **Theft** committed by an **Employee**, whether identified or not, acting alone or in collusion with other persons, and pursuant to which a financial benefit (other than **Employee** benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) is obtained by such **Employee**, or any person or organization, other than the **Insured**, intended by the **Employee** to receive that benefit.

D. Forgery or Alteration

1. The Insurer will pay for loss resulting directly from the **Insured's** good faith reliance on checks, drafts, promissory notes, or similar written promises, orders, or directions to pay a sum certain in **Money** that contain a **Forgery or Alteration** and that are:

- a. made or drawn by or drawn upon the **Insured**;
- b. made or drawn by one acting as the **Insured's** agent;

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

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

2. If the **Insured** is sued for refusing to pay any instrument covered in paragraph 1. b. above on the basis that it contains a **Forgery or Alteration**, and the **Insured** has the Insurer's written consent to defend against the suit, the Insurer will pay for any reasonable and necessary legal expenses that the **Insured** incurs in that defense subject to the sublimit for this Coverage Section as set forth in Item 7. of the Declarations. The amount that the Insurer will pay is in addition to the Single Loss Limit of Insurance applicable to this Insuring Clause.

E. Inside the Premises

1. The Insurer will pay for loss of, and loss from damage to, **Money** or **Securities** inside the **Premises** or **Financial Institution Premises** resulting directly from **Theft**, disappearance or destruction. Provided, however, in the case of **Theft**, the **Theft** was committed by a person physically present in the **Premises** or **Financial Institution Premises** at the time of loss of such **Money** or **Securities**.
2. The Insurer will pay for loss of, and loss from damage to, **Other Property**:
 - a. inside the **Premises** resulting directly from an actual or attempted **Robbery** of a **Custodian**; or
 - b. inside the **Premises** in a safe or vault, resulting directly from an actual or attempted **Safe Burglary**.
3. The Insurer will pay:
 - a. for loss from damage to the **Premises** or its exterior; or
 - b. for loss of, and loss from damage to, a locked safe, vault, cash register, cash box or cash drawer located in the **Premises**;

resulting directly from an actual or attempted **Theft, Robbery** or **Safe Burglary**, if the **Insured** is the owner of the **Premises** or is liable for damage to it.

F. Outside the Premises

The Insurer will pay for loss of, and loss from damage to, **Money, Securities** or **Other Property** outside the **Premises** while in the care and custody of a **Messenger** or armored motor vehicle company:

1. for **Money** or **Securities** resulting from **Theft**, disappearance or destruction; and
2. for **Other Property** resulting from actual or attempted **Robbery**.

G. Computer Hacking

The Insurer will pay for loss resulting directly from your **Computer** or the **Computer** of your **Financial Institution**, with no action, authorization or intervention by an **Employee**, having transferred **Money, Securities** or **Other Property** from your **Premises** or **Financial Institution Premises** to a person, entity, place or account outside of your control. Such transfer must be caused directly by the use of any **Computer** to gain unauthorized access into your **Computer** or the **Computer** of your **Financial Institution** through a **Network** by:

1. misappropriating and using your **Access Credentials**; or
2. the unauthorized entry of **Electronic Data** or **Computer Programs** into your **Computer** or the **Computer** of your **Financial Institution** by a hacker, interloper or virus without the use of **Access Credentials**,

thereby causing such **Computer** to affect such transfer.

H. Funds Transfer Fraud

The Insurer will pay for loss of **Money** or **Securities** resulting directly from a **Fraudulent Instruction** directing a **Financial Institution** to pay, deliver or transfer **Money** or **Securities** from an **Insured's Transfer Account**.

I. Money Orders and Counterfeit Paper Currency

The Insurer will pay for loss resulting directly from the **Insured** having accepted in good faith, in the normal course of business, in exchange for merchandise, **Money** or services:

1. Money orders issued by any post office, express company or bank in the United States or Canada that are not paid upon presentation; or
2. **Counterfeit** paper currency of any country in the world issued by a national government;

that is acquired during the regular course of business.

J. Fraudulently Induced Transfers

The Insurer will pay for loss of **Money** or **Securities** resulting directly from a **Fraudulently Induced Transfer** causing **Money** or **Securities** to be transferred from the **Insured's Premises** or **Financial Institution Premises** to a person, entity, place or account outside of the **Insured's** control.

K. Computer System Restoration Expense

The Insurer will pay for **Computer System Restoration Expense** resulting directly from any loss covered under Insuring Clause A. Employee Theft, Insuring Clause B. ERISA Theft, Insuring Clause C. Client Property, Insuring Clause G. Computer Hacking or Insuring Clause H. Funds Transfer Fraud that the **Insured** incurs to restore or replace damaged or destroyed **Electronic Data** or **Computer Programs** owned by the **Insured** or for which the **Insured** is legally liable while stored within the **Insured's Computer System**, but only if such loss is in excess of the deductible applicable to such covered loss.

L. Credit, Debit, or Charge Card Forgery

The Insurer will pay for direct loss from **Forgery** or **Alteration** of, on or in, any written instrument required in connection with any credit, debit or charge card issued to the **Insured** or at the request of the **Insured**, to any **Employee** for business purposes.

M. Claims Expense

The Insurer shall indemnify the **Insured** for reasonable expenses necessarily incurred and paid by the **Insured** by reason of the **Insured** having retained, with the prior written approval of the Insurer, independent outside accountants or other non-legal experts to determine the amount and extent of a loss covered and paid under this Coverage Section. The Insurer shall not be liable for the **Insured's** internal corporate costs (such as salary, wages, commissions, benefits or overhead expenses), and shall not be liable to reimburse the **Insured** for said expenses until payment for the covered loss is made.

II. DEFINITIONS

When used in this Coverage Section:

- A. "**Access Credentials**" means information, items or characteristics necessary to gain access to your **Computer** or the **Computer** of your **Financial Institution**, and used to authenticate the user's identity, including, but not limited to, passwords, personal identification numbers, shared secrets, tokens and biometrics.
- B. "**Alteration**" means a fraudulent change or modification to a genuine document with intent to deceive. An **Alteration** is not a **Counterfeit** or the creation of a new document which is intended to appear and be taken as a genuine document.
- C. "**Client**" means an entity for which you perform services as specified in and pursuant to a written agreement in force at the time a loss contemplated by this Coverage Section is sustained by such entity.
- D. "**Computer**" means electronic device or a group of devices that are capable of receiving **Electronic Data** and performing a sequence of operations in accordance with a **Computer Program** to produce a result in the form of information or signals.

E. "**Computer Programs**" means a set of related electronic instructions which direct the operations and functions of a **Computer** or devices connected to it which enable the **Computer** or devices to receive, process, store or send **Electronic Data**.

F. "**Computer System**" means:

1. **Computers** with related peripheral components, including storage components wherever located;
2. systems and applications software;
3. terminal devices; and
4. related communication networks

by which **Electronic Data** are electronically collected, transmitted, processed, stored and retrieved.

G. "**Computer System Restoration Expense**" means reasonable and necessary expenses incurred to restore, reproduce, duplicate or replace damaged or destroyed **Electronic Data** or **Computer Programs**. If **Electronic Data** or **Computer Programs** cannot be restored, reproduced or duplicated, the **Insured** shall include costs incurred for computer time, computer programmers or technical experts or consultants to restore, reproduce or duplicate such **Electronic Data** or **Computer Programs** to substantially the same level or operational capability existing immediately before the covered loss.

Computer System Restoration Expense does not mean:

1. the **Insured's** internal corporate costs and expenses, including **Employee** remuneration and costs related to any legal action;
2. expenses incurred as a result of the reconstruction of **Electronic Data** or **Computer Programs** if the **Insured** knowingly used illegal copies of programs;
3. expenses incurred to render the **Electronic Data** or **Computer Programs** usable by replacement processing equipment;
4. expenses incurred to design, update or improve **Electronic Data** or **Computer Programs** or to perfect their operation or performance;
5. expenses incurred as a result of alteration of **Electronic Data** or **Computer Programs** held on magnetic media due to the effect of magnetic fields, incorrect usage of the **Electronic Data** or **Computer Programs** or the obsolescence of the **Computer System**;
6. lost revenue, sales or profits; or
7. expenses incurred by any customer.

H. "**Counterfeit**" means an imitation of an actual valid original which is intended to deceive and to be taken as the original.

I. "**Covered Person**" means any natural person who is:

1. a trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any **Employee Benefit Plan(s)** insured under Insuring Clause B. ERISA Theft; or
2. a director, officer, employee or trustee of an **Insured**, but only while that person is handling **Money, Securities** or **Other Property** of an **Employee Benefit Plan** insured under Insuring Clause B. ERISA Theft;

but does not include any agent, broker, or person leased to you or the **Employee Benefit Plan** by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character.

- J. "**Cryptocurrency**" means a digital or electronic medium of exchange, operating independently of a central bank, in which encryption techniques are used to regulate the generation of units and to verify the transfer of such units from one person to another.
- K. "**Custodian**" means the **Insured**, any of the **Insured's** partners or any **Employee** while having care and custody of property inside the **Premises**, excluding any person while acting as a **Watchperson** or janitor.
- L. "**Electronic Data**" means facts or information converted to a form usable in a **Computer** or **Computer System** by **Computer Programs** and which is capable of being stored in a **Computer**.
- M. "**Employee**" means:

1. any natural person:
 - a. while in the **Insured's** service or for ninety (90) days after termination of service, unless termination is due to **Theft** or any dishonest act committed by such person; and
 - b. whom the **Insured** compensates directly by salary, wages or commissions; and
 - c. whom the **Insured** has the right to direct and control while performing services for the **Insured**.
2. any natural person who is furnished temporarily to the **Insured** to:
 - a. substitute for a permanent employee as defined in 1. a. above who is on leave; or
 - b. meet seasonal or short-term workload conditions;while that person is subject to the **Insured's** direction and control and performing services for the **Insured** excluding, however, any such person while having care and custody of property outside the **Premises**.
3. any natural person, excluding a temporary employee as described in 2. b. above, who is leased to the **Insured** under a written agreement between the **Insured** and a labor leasing firm, while that person is subject to the **Insured's** direction and control and performing duties related to the conduct of the **Insured's** business.
4. any natural person who is:
 - a. a former employee, director, partner, member, or trustee retained as a consultant, while performing services for the **Insured**, while that person is subject to the **Insured's** direction and control and performing duties related to the conduct of the **Insured's** business;
 - b. a non-compensated volunteer, other than a funds solicitor, while performing services for the **Insured** that are usual to the duties of an employee;
 - c. a guest student or intern, while that person is subject to the **Insured's** direction and control and performing duties related to the conduct of the **Insured's** business; or
 - d. a director, trustee, or non-compensated officer while performing acts within the scope of the usual duties of an employee.

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

- N. "**Employee Benefit Plan(s)**" means any welfare or pension benefit plan listed in the Declarations that is subject to the Employee Retirement Income Security Act of 1974 (**ERISA**), as amended.

- O. "**Financial Institution**" means a banking institution or similar safe depository, a brokerage firm, mutual fund, liquid asset fund, or other investment or depository institution at which the **Insured** maintains a **Transfer Account**.
- P. "**Financial Institution Premises**" means the interior of that portion of any building occupied by a **Financial Institution**.
- Q. "**Forgery**" means the written 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. An electronic signature ("e-signature") effectuated by someone other than the identified individual is not a **Forgery**.

R. "**Fraudulently Induced Transfer**" means a transfer resulting from a **Payment Order** transmitted by an **Employee** of the **Insured** who is authorized to transmit **Payment Orders** to a **Financial Institution**, or a check drawn by an authorized **Employee** of the **Insured**, made in good faith reliance upon an electronic, telefacsimile, telephone or written instruction received by such **Employee** of the **Insured** from a person purporting to be:

1. an **Employee** who is authorized by the **Insured** to instruct other **Employees** to transfer, pay or deliver the **Insured's** money or securities; or
2. a customer or **Vendor** establishing or changing the method, destination or account for payments made at the request of such customer or **Vendor**;

that was in fact transmitted to the **Insured** by someone impersonating the **Employee**, customer, or **Vendor** without the **Insured's** knowledge or consent and without the knowledge or consent of the actual **Employee**, customer or **Vendor** being impersonated.

S. "**Fraudulent Instruction**" means:

1. A **Payment Order** transmitted to a **Financial Institution** which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent; or
2. A written instruction (other than those described in Insuring Clause D. Forgery or Alteration) which purports to have been issued by you and which was sent or transmitted to a **Financial Institution** to establish the conditions under which transfers are to be initiated by such **Financial Institution** through an electronic funds transfer system and which was issued, forged or altered without your knowledge or consent.

T. "**Insured**" means the **Parent Company** and any **Subsidiary**.

U. "**Messenger**" means the **Insured**; the **Insured's** business partners or members; or any **Employee**, while having care and custody of property outside the **Premises** and who has been duly authorized by the **Insured**.

V. "**Money**" means:

1. currency, coins, bank notes, and bullion in current use and having a face value; and
2. travelers checks, register checks and money orders held for sale to the public.

Money does not mean any form of **Cryptocurrency**.

W. "**Network**" means any computer communication systems, including the Internet, that allows the direct input, without any intervention by an **Employee**, of **Electronic Data** or **Computer Programs** from a **Computer** to your **Computer** or your **Financial Institution's Computer**.

X. "**Occurrence**" means:

1. as respects Insuring Clause A. Employee Theft and Insuring Clause C. Client Property, all loss or losses caused by, or involving, any **Employee**, acting alone or in collusion with other persons, or any group of **Employees** acting together, even if in collusion with other persons, whether the result of a single act or multiple acts and whether or not sustained only during the **Policy Period**. All acts by one **Employee**, acting alone or in collusion with other persons, or by any group of **Employees** acting together, and whenever performed, can give rise to only one **Occurrence**;
 2. as respects Insuring Clause D. Forgery or Alteration, all loss or losses caused by any person acting alone or in collusion with others, or in which any such person is implicated, whether the loss or losses involves one or more instruments;
 3. as respects Insuring Clause B. ERISA Theft, all loss or losses caused by, or involving, any one **Covered Person**, acting alone or in collusion with others;
 4. as respects all other Insuring Clauses, all loss or losses caused by:
 - a. a single act, or series of related acts;
 - b. an act or acts involving one person or group of persons acting together; or
 - c. an act or event, or a series of related acts or events, not involving any identifiable person.
- Y. "**Other Property**" means any tangible property other than **Money** or **Securities** that has intrinsic value but does not include any property excluded under this Coverage Section.
- Z. "**Payment Order**" means an instruction from a sender to a receiving bank transmitted orally, electronically, or in writing, to pay, or to cause another bank to pay, a fixed or determinable amount of **Money** to another person or entity.
- AA. "**Premises**" means the interior or that portion of any building the **Insured** occupies in conducting the **Insured's** business.
- BB. "**Robbery**" means the taking of property from the care and custody of a person by one who has:
1. caused or threatened to cause that person bodily harm; or
 2. committed an obviously unlawful act witnessed by that person.
- CC. "**Safe Burglary**" means the taking of:
1. 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
 2. a safe or vault from inside the **Premises**.
- DD. "**Securities**" mean negotiable and non-negotiable instruments or contracts representing either **Money** or **Other Property** and includes:
1. tokens, tickets, chips issued by the **Insured**, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 2. evidences of debt issued in connection with credit, debit or charge cards, which cards are not issued by the **Insured**;
- but does not include **Money**.

EE. "**Security Procedures**" means a procedure established by agreement of the **Insured** and its customer or **Financial Institution** for the purpose of (i) verifying that a **Payment Order** is that of the **Insured**, or (ii) detecting error in the transmission or the content of the **Payment Order** or communication. **Security Procedures** may require the use of algorithms or other codes, identifying words or numbers, encryption, callback procedures, or similar security devices.

FF. "**Subsidiary**" means:

1. an entity while more than fifty percent (50%) of the outstanding voting securities or voting rights representing the current right to vote for election of or to appoint directors, trustees, managers or equivalent positions of such entity are owned or controlled by the **Parent Company**, directly or through one or more other **Subsidiaries**; or
2. an entity while the **Parent Company**, directly or through one or more other **Subsidiaries**, controls the management and operation of such entity, pursuant to a written contract, charter, by-laws or similar document; or
3. any foundation, charitable trust, political action committee or any not-for-profit entity under section 501(c)(3) of the Internal Revenue Code of 1986 (as amended) while such entity is controlled or exclusively sponsored by the **Parent Company**, directly or through one or more other **Subsidiaries**.

GG. "**Theft**" means the unlawful taking of **Money**, **Securities** or **Other Property** with the intent to wrongfully and permanently deprive the true owner of that property, whether by violence or otherwise, and to obtain improper financial gain. Financial gain shall not include salary, commissions, fees, or other emoluments, including but not limited to promotions and raises associated with employment, paid by the **Insured**.

HH. "**Transfer Account**" means an account maintained by an **Insured** at a **Financial Institution** from which the **Insured** can initiate the transfer, payment, or delivery of **Money** or **Securities**:

1. by means of a **Payment Order** communicated directly to the **Financial Institution** or through an electronic funds transfer system; or
2. by means of written instructions (other than those described in Insuring Clause D. Forgery or Alteration) establishing the conditions under which such transfers are to be initiated by such **Financial Institution** through an electronic funds transfer system.

II. "**Vendor**" means any entity or person that provides or has provided goods or services to the **Insured** pursuant to a preexisting agreement, not including a customer.

JJ. "**Watchperson**" means any person the **Insured** retains specifically to have care and custody of property inside the **Premises** and who has no other duties.

III. EXCLUSIONS

Applicable to all Insuring Clauses, except as indicated. The Insurer will not pay for loss as specified below:

A. Acts Committed by the Insured or the Insured's Partners

Loss resulting from any **Theft** or dishonest act committed by the **Insured** or any of the **Insured's** partners, sole proprietors or major shareholders whether acting alone or in collusion with other persons. For purposes of this Exclusion, a "major shareholder" is any natural person who directly or indirectly owns or controls more than twenty-five percent (25%) of the **Insured's** equity, shares or voting rights. This Exclusion does not affect coverage for loss caused by the acts of **Covered Persons** that are covered under Insuring Clause B. ERISA Theft.

B. Acts of Employees, Directors, Trustees or Representatives

Loss resulting from any **Theft** or dishonest act committed by any of the **Insured's Employees**, directors, trustees or authorized representatives:

1. acting alone or in collusion with other persons; or
2. while performing services for the **Insured** or otherwise;

except when covered under Insuring Clause A. Employee Theft, Insuring Clause B. ERISA Theft, or Insuring Clause C. Client Property.

C. 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 to support the amount of loss claimed.

D. Fire

Loss from damage to the **Premises** resulting from fire, however caused.

E. Governmental Action

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

F. Indirect Loss

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

1. the **Insured's** inability to realize income that the **Insured** would have realized had there been no loss of, or loss from damage to, **Money, Securities or Other Property**;
2. payment of damages of any type for which the **Insured** is legally liable. But, the Insurer will pay compensatory damages arising directly from a loss covered under this Coverage Section;
3. payment of costs, fees or other expenses the **Insured** incurs in establishing either the existence or the amount of loss under this Coverage Section except when covered under Insuring Clause M. Claims Expense.

G. Legal Expenses

Expenses related to any legal action, except when covered under Insuring Clause D. Forgery or Alteration.

H. Nuclear, Chemical or Biological Contamination

Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, chemical or biological contamination or any related act or incident.

I. War and Similar Actions

Loss resulting from war, whether or not declared, warlike action, terrorism, insurrection, rebellion or revolution, riot, or any related act or incident.

J. Confidential Information

Loss resulting directly or indirectly from the **Theft**, disappearance, destruction or disclosure of confidential information including, but not limited to, trade secrets, personal information, personal customer information, customer lists, and a customer's personally identifiable medical or financial information, intellectual property or business identity, whether such confidential information is owned by the **Insured** or held by the **Insured** or any capacity including concurrently with another person. For the purposes of Insuring Clause G. Computer Hacking, confidential information cannot itself be the **Other Property** transferred, but a loss otherwise covered under Insuring Clause G. Computer Hacking shall not be excluded by the fact that confidential information was used to gain access to the **Insured's Computer System** or to the **Computer System** of the **Insured's Financial Institution**, in order to cause the fraudulent transfer. For the purpose of Insuring Clause K. Computer System Restoration Expense, confidential information cannot itself be the **Electronic Data**.

K. Data Breach Costs

Expenses related to the **Insured's** obligations arising from a data security breach, including, but not limited to, forensic audit expenses, fines and penalties, expenses to comply with federal and state privacy laws and Payment Card Industry Data Security Standards (if applicable), and expenses related to notifying effected individuals when the individuals personally identifiable financial or medical information was stolen, accessed, downloaded or misappropriated while in the **Insured's** care, custody or control.

L. Voluntary Parting of Title or Possession

Loss resulting from the **Insured**, or anyone acting on the **Insured's** express or implied authority, being induced by any dishonest act to part voluntarily with **Money, Securities or Other Property** unless covered under Insuring Clause J. Fraudulently Induced Transfers.

M. Unintentional Errors or Omissions

Loss resulting from errors or omissions, including the negligence of a **Covered Person**.

N. Trading

Loss resulting directly or indirectly from any authorized or unauthorized trading of **Money, Securities or Other Property**, whether or not in the name of the **Insured** and whether or not in a genuine or fictitious account. However, this Exclusion shall not apply to direct losses caused by **Theft or Forgery** which result in the improper financial gain to an **Employee** (direct losses as used herein shall mean only the amount of improper financial gain to such **Employee**, which shall not include salaries, commissions, fees or other compensation, including promotions and raises associated with employment paid by the **Insured** to such **Employee**).

O. Kidnap, Ransom or Extortion

Loss resulting directly or indirectly from kidnap, ransom or other extortion payment surrendered to any person as a result of a threat except when covered under Insuring Clause F. Outside the Premises.

P. Cryptocurrencies

Loss resulting directly or indirectly from **Theft**, disappearance, destruction or change in value of any **Cryptocurrency**.

Applicable to Specific Insuring Clauses. The Insurer will not pay for loss as specified below:

Q. Under Insuring Clause A. Employee Theft or Insuring Clause C. Client Property

Employee Cancelled Under Prior Insurance

Loss caused by any **Employee** of the **Insured's**, or predecessor in interest of the **Insured**, for whom similar prior insurance has been cancelled and not reinstated since such cancellation.

R. Under Insuring Clause A. Employee Theft, Insuring Clause B. ERISA Theft and Insuring Clause C. Client Property

Prior Dishonesty

Loss resulting from the dishonest or fraudulent acts of a **Covered Person** if you, or any employee, trustee, fiduciary or plan administrator of an **Employee Benefit Plan** who is not in collusion with such **Covered Person**, knows or knew prior to such loss of any prior dishonest or fraudulent act committed by such person, whether in the employment of you or any **Employee Benefit Plan** or otherwise, whether or not of the type covered under this Coverage Section and without regard to whether the knowledge was obtained before or after the commencement of this Coverage Section.

S. Under Insuring Clause B. ERISA Theft

Loss resulting from the negligence of a **Covered Person**.

T. Under Insuring Clause E. Inside the Premises and Insuring Clause F. Outside the Premises

1. Accounting or Arithmetical Errors or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

2. 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 instrument in the device.

3. Transfer or Surrender of Property

Loss of property after it has been transferred or surrendered to a person or place outside the **Premise** or **Financial Institution Premises**:

- a. on the basis of unauthorized instructions, unless covered under Insuring Clause J. Fraudulently Induced Transfers; or
- b. as a result of a threat to do:
 - (1) bodily harm to any person; or
 - (2) damage to any property.

But, this Exclusion does not apply under Insuring Clause F. Outside the Premises to loss of **Money**, **Securities** or **Other Property** while outside the **Premises** or **Financial Institution Premises** in the care and custody of a **Messenger** if the **Insured**:

- 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.

4. Vandalism

Loss from damage to any property, safe, vault, or to the **Premises** or its exterior, by vandalism, malicious mischief or riot.

5. Exchange or Purchases

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

U. Under Insuring Clause F. Outside the Premises

Loss of motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

V. Under Insuring Clause G. Computer Hacking

Loss resulting from failure to comply and follow **Security Procedures**

1. agreed to in writing with the **Insured's** customer or **Financial Institution**; or
2. that would have been avoided had the **Insured** accepted and followed commercially reasonable **Security Procedures** that the **Insured's Financial Institution** made available for the **Insured's** account or accounts involved in the loss; or
3. that the **Insured** represented to the Insurer they would follow.

W. Under Insuring Clause H. Funds Transfer Fraud

1. Loss resulting from any dishonest or criminal act committed by any of the **Insured's Employees**, directors, trustees or authorized representatives:
 - a. Acting alone or in collusion with other persons; or
 - b. While performing services for the **Insured** or otherwise.
2. Loss resulting from the use of any **Computer** to fraudulently cause a transfer of **Other Property**.

X. Under Insuring Clause L. Credit, Debit or Charge Card Forgery

Loss arising from any credit, debit, or charge card if any **Insured** has not complied fully with the provisions, conditions or other terms pursuant to which the card was issued.

IV. CONDITIONS APPLICABLE TO ALL INSURING CLAUSES

A. Concealment, Misrepresentation or Fraud

This Coverage Section shall be void for the **Insured** who, whether before or after a loss, has intentionally concealed or misrepresented any material fact or circumstance; engaged in fraudulent conduct; or made false statements relating to this insurance.

B. Consolidation and Merger

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity, any additional persons become **Employees** or the **Insured** acquires the use and control of any additional **Premises**, any insurance afforded for **Employees** or **Premises** also applies to those additional **Employees** and **Premises**, as long as:

1. the acquired entity's total consolidated assets as of the most recent fiscal year end are less than ten percent (10%) of their total consolidated assets as of their most recent fiscal year end; or
2. if the acquired entity's total consolidated assets as of the most recent fiscal year end are greater than or equal to ten percent (10%) of your total consolidated assets of your most recent fiscal year end, any coverage afforded for **Employees** or **Premises** also applies to those additional **Employees** and **Premises** for acts committed or events occurring within ninety (90) days after the effective date of such consolidation, merger or

purchase or acquisition of assets or liabilities. However, the **Insured** must give the Insurer written notice within this ninety (90) day period and obtain the Insurer's written consent to extend this insurance to such additional **Employees** or **Premises**. Upon obtaining the Insurer's written consent, the **Insured** must pay an additional premium.

If the **Insured** fails to notify the Insurer in writing within this ninety (90) day period, then this Coverage Section shall automatically terminate as to such additional **Employees** or **Premises**.

C. Deductible

1. The Insurer will not pay for loss in any one **Occurrence** unless the amount of loss exceeds the Single Loss Deductible amount shown in Item 9. of the Declarations. The Insurer then will pay the amount of loss in excess of the Single Loss Deductible amount, up to the Single Loss Limit of Insurance. In the event more than one Single Loss Deductible amount could apply to the loss, only the highest Single Loss Deductible amount may be applied.
2. The Deductible set forth in the Declarations shall be applicable to a loss suffered by an **Employee Benefits Plan** only after that **Employee Benefit Plan** has received from the Insurer:
 - a. \$500,000; or
 - b. \$1,000,000,

if the **Employee Benefit Plan** holds "employer securities" within the meaning of section 407(d)(1) of **ERISA**.

D. Discovery of Loss

Discovery of loss occurs when the **Insured**, through any **Employee** at the management level or higher, first becomes aware of facts which would cause a reasonable person to assume that a loss covered by this Coverage Section has been or will be incurred, even though the exact amount or details of loss may not then be known.

Discovery also occurs when the **Insured** receives notice of an actual or potential claim against the **Insured** alleging facts that if true would constitute a covered loss under this Coverage Section.

E. Duties in the Event of Loss

After the **Insured** discovers a loss or a situation that may result in loss of, or loss from damage to, **Money, Securities** or **Other Property** the **Insured** must:

1. notify the Insurer as soon as possible and in no event more than thirty (30) days after discovery, even if the loss is entirely within the deductible amount;
2. submit to examination under oath at the Insurer's request and give the Insurer a signed statement of the **Insured's** answers;
3. give the Insurer a detailed, sworn proof of loss within one hundred-twenty (120) days; and
4. cooperate with the Insurer in the investigation and settlement of any **Claim**.

F. Employee Benefit Plan(s)

1. If any **Employee Benefit Plan(s)** is insured jointly with any other entity under this Coverage Section, the **Parent Company** or the plan administrator must select a Limit of Insurance for Insuring Clause A. Employee Theft and Insuring Clause B. ERISA Theft that is sufficient to provide a limit of insurance for each plan that is at least equal to that required if each plan were separately insured.

2. If the **Parent Company** is an entity other than a plan, any payment the Insurer makes to the **Parent Company** for loss sustained by any plan will be held by the **Parent Company** for the use and benefit of the plan(s) sustaining the loss.
3. If two or more plans are insured under this Coverage Section, any payment the Insurer makes for loss:
 - a. sustained by two or more plans; or
 - b. of commingled **Money, Securities** or **Other Property** of two or more plans;that arises out of one **Occurrence**, is to be shared by each plan sustaining loss in the proportion that the limit of insurance required for each such plan bears to the total of those limits.

G. Extended Period to Discover Loss

1. The Insurer will pay for loss that the **Insured** sustained prior to the effective date of termination or cancellation of this Coverage Section which is discovered by the **Insured**:
 - a. within ninety (90) days following the date of termination or cancellation; and
 - b. as respects any **Employee Benefit Plan(s)**, within one year following the date of termination or cancellation.
2. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by the **Insured** replacing in whole or in part the insurance afforded by this Coverage Section whether or not such other insurance provides coverage for loss sustained prior to its effective date. Specifically with respect to Insuring Clause B. ERISA Theft, this extended period to discover loss terminates only upon the procurement of replacement coverage that offers the same coverage afforded by this Coverage Section in an amount no less than the minimum amount required under **ERISA** section 412 and provides coverage for loss sustained prior to its effective date.

H. Joint Insured

1. The **Parent Company** is responsible for the payment of all premiums and will be the payee for any return premiums paid.
2. The **Parent Company** will act for itself and for every other **Insured** for all purposes of this Coverage Section.
3. If any **Insured** or partner or officer of that **Insured** has knowledge of any information relevant to this Coverage Section, that knowledge is considered knowledge of every **Insured**.
4. An **Employee** of any **Insured** is considered to be an **Employee** of every **Insured**.
5. If this Coverage Section or any coverage afforded thereunder is cancelled or terminated as to any **Insured**, loss sustained by that **Insured** is covered only if discovered during the period of time provided in the Extended Period to Discover Loss Condition G. However, this extended period to discover loss terminates as to that **Insured** immediately upon the effective date of any other insurance obtained by that **Insured** replacing in whole or in part this Coverage Section whether or not such insurance provides coverage for loss sustained prior to its effective date.
6. The Insurer will not pay more for loss sustained by more than one **Insured** than the amount the Insurer would pay if all the loss had been sustained by one **Insured**.

I. Liberalization

If the Insurer adopts any revision to the standard form wording or coverage offered universally by the Insurer without additional premium that would broaden the coverage under this Coverage Section within forty-five (45) days prior to or during the **Policy Period**, the broadened coverage will immediately apply to this Coverage Section.

J. Limit of Insurance

The most the Insurer will pay for loss in any one **Occurrence** is the applicable Single Loss Limit of Insurance shown in the Declarations.

K. Loss Covered Under More than One Coverage

If two or more insuring clauses of this Coverage Section apply to the same loss, the Insurer will pay the lesser of:

1. the actual amount of loss; or
2. the highest Single Loss Limit of Insurance applicable to those insuring clauses.

L. Non-Cumulation of Limit of Insurance

Regardless of the number of years this insurance remains in force or the number of premiums paid, no Single Loss Limit of Insurance cumulates from year to year or **Policy Period to Policy Period**.

M. Other Insurance Provision

1. This Coverage Section does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this Coverage Section will apply to that part of the loss, other than that falling within any Single Loss Deductible amount, not recoverable or recovered under the other insurance or indemnity. However, this Coverage Section will not apply to the amount of loss that is more than the applicable Single Loss Limit of Insurance shown in the Declarations.
2. Under Insuring Clause F. Outside the Premises, the Insurer will pay only for the amount of loss that the **Insured** cannot recover:
 - a. Under the **Insured's** contract with the armored motor vehicle company; and
 - b. From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

N. Ownership of Property, Interests Covered

The property covered under this Coverage Section is limited to property:

1. that the **Insured** owns or holds;
2. that is owned and held by someone else under circumstances that made the **Insured** responsible for the property prior to, and independent of, the loss; or
3. solely with respect to Insuring Clause C. Client Property, property owned by a **Client** or held by the **Client** and for which the **Client** is legally liable.

However, this Coverage Section is for the **Insured's** benefit only. It provides no rights or benefits to any other person or organization.

O. Records

The **Insured** must keep records of all covered property so the Insurer can verify the amount of any loss.

P. Recoveries

1. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this Coverage Section will be distributed as follows:

- a. to the **Insured**, until the **Insured** is reimbursed for any loss that the **Insured** sustains that exceeds the Single Loss Limit of Insurance and the Single Loss Deductible amount, if any;
 - b. then to the Insurer, until the Insurer is reimbursed for the settlement made;
 - c. then to the **Insured**, until the **Insured** is reimbursed for that part of the loss equal to the Single Loss Deductible amount, if any;
 - d. then to the **Insured** for any loss not covered by this Coverage Section.
2. Recoveries do not include any recovery:
- a. from insurance, suretyship, reinsurance, security or indemnity taken for the Insurer's benefit; or
 - b. of original **Securities** after duplicates of them have been issued.

Q. Transfer of the Insured's Rights and Duties Under This Policy

The **Insured's** rights and duties under this Coverage Section may not be transferred without the Insurer's written consent except in the case of death of an individual named **Insured**. If an **Insured** dies, the **Insured's** rights and duties will be transferred to the **Insured's** legal representative but only while acting within the scope of duties as the **Insured's** legal representative. Until the **Insured's** legal representative is appointed, anyone having proper temporary custody of the **Insured's** property will have the **Insured's** rights and duties but only with respect to that property.

R. Valuation – Settlement

1. Subject to the applicable Single Loss Limit of Insurance provision the Insurer will pay for:
- a. Loss of **Money** but only up to and including its face value. The Insurer may, at the Insurer's option, pay for loss of **Money** issued by any country other than the United States of America:
 - (1) at face value in the **Money** issued by that country; or
 - (2) in the United States of America dollar equivalent determined by the rate of exchange, as published in the *Wall Street Journal*, on the day the loss was discovered.
 - b. Loss of **Securities** but only up to and including their value at the close of business on the day the loss was discovered. The Insurer may, at the Insurer's option:
 - (1) pay the value of such **Securities**, or replace them in kind, in which event the **Insured** must assign to the Insurer all of the **Insured's** rights, title and interest in and to those **Securities**; or
 - (2) Pay the cost of any lost securities bond required in connection with issuing duplicates of the **Securities**. However, the Insurer will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - (a) value of the **Securities** at the close of business on the day the loss was discovered; or
 - (b) Single Loss Limit of Insurance.
 - c. Loss of, or loss from damage to, **Other Property** or loss from damage to the **Premises** or its exterior for the replacement cost of the property without deduction for depreciation. However, the Insurer will not pay more than the least of the following:
 - (1) the Single Loss Limit of Insurance applicable to the lost or damaged property;

(2) the cost to replace the lost or damaged property with property:

(a) of comparable material and quality; and

(b) used for the same purpose; or

(3) the amount the **Insured** actually spends that is necessary to repair or replace the lost or damaged property.

d. The Insurer will not pay on a replacement cost basis for any loss or damage:

(1) until the lost or damaged property actually is repaired or replaced; and

(2) unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

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

2. The Insurer may, at the Insurer's option, pay for loss of, or loss from damage to, property other than **Money**:

a. in the **Money** of the country in which the loss occurred; or

b. in the United States of America dollar equivalent of the **Money** of the country in which the loss occurred determined by the rate of exchange, published in the *Wall Street Journal*, on the day the loss was discovered.

3. Any property that the Insurer pays for or replaces becomes the Insurer's property.

V. CONDITIONS APPLICABLE TO SPECIFIC INSURING

A. Insuring Clause A. Employee Theft and Insuring Clause C. Client Property

Termination as to any Employee:

Coverage under this Coverage Section is terminated as to any **Employee**:

1. Immediately upon discovery by:

a. the **Insured**; or

b. any of the **Insured's** partners, officers or directors not in collusion with the **Employee**

of any dishonest act valued at more than \$250 committed by that **Employee** whether before or after becoming employed by the **Insured**. Whether such discovery occurs prior to or after commencement of this Policy, there is no coverage for loss or losses resulting from acts committed by that **Employee** after the date of such discovery.

2. On the date specified in a notice mailed to the **Insured**. That date will be at least sixty (60) days after the date of mailing. The mailing of notice to the **Insured** at the last mailing address known to the Insurer will be sufficient proof of notice. Delivery of notice is the same as mailing.

B. Insuring Clause B. ERISA Theft

1. Consolidation and Merger

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity any additional persons become **Covered Persons**:

- a. The **Insured** must give us written notice and obtain our written consent to extend this Coverage Section to such additional **Covered Persons**. We may condition our consent upon payment of an additional premium; but
- b. For the first sixty (60) days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, any insurance afforded for **Covered Persons** also applies to these additional **Covered Persons** for acts committed or events occurring within said sixty (60) day period.

2. Employee Benefit Plan(s)

- a. It is the **Insured's** responsibility to select a Single Loss Limit of Insurance for Insuring Clause B. ERISA Theft that is sufficient to provide a limit that is at least equal to that required under **ERISA** if each **Employee Benefit Plan** were separately insured.
- b. Any payment we make to an **Insured** for loss sustained by any **Employee Benefit Plan** will be held by that **Insured** for the use and benefit of the plan(s) sustaining the loss.
- c. If two or more **Employee Benefit Plans** are insured under this insurance, any payment the Insurer makes for loss:
 - (1) Sustained by two or more **Employee Benefit Plans**; or
 - (2) Of commingled **Money, Securities** or **Other Property** of two or more **Employee Benefit Plans**;that arises out of one **Occurrence** and cannot be allocated specifically to any one **Employee Benefit Plan**, is to be shared by each **Employee Benefit Plan** sustaining loss in the proportion that the limit of insurance required under **ERISA** for each such **Employee Benefit Plan** bears to the total of those limits.
- d. If Insuring Clause B. ERISA Theft is cancelled or terminated as to any covered **Employee Benefit Plan**, Condition G. Extended Period to Discover Loss, applies separately to that **Employee Benefit Plan**.

3. Cancellation as to Any Covered Person

Coverage under Insuring Clause B. ERISA Theft is cancelled as to any **Covered Person**:

- a. Immediately upon discovery by you, or by any employee, trustee, fiduciary or plan administrator of any **Insured Employee Benefit Plan** who is not in collusion with the **Covered Person**, of any dishonest act committed by that **Covered Person** whether before or after becoming a **Covered Person**. Whether such discovery occurs prior to or after commencement of this Coverage Section, there is no coverage under Insuring Clause B. ERISA Theft for loss or losses resulting from acts committed by that **Covered Person** after the date of such discovery.
- b. On the date specified in a notice mailed to you. That date will be at least thirty (30) days after the date of mailing. The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

C. Insuring Clause D. Forgery or Alteration

1. Single Loss Deductible

The Single Loss Deductible amount does not apply to legal expenses paid under sublimit for Insuring Clause D. Forgery or Alteration.

2. Facsimile Signatures

The Insurer will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

3. Proof of Loss

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

D. Insuring Clause E. Inside the Premises and Insuring Clause F. Outside the Premises

1. Special Single Loss Limit of Insurance for Specified Property

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

- a. precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or
- b. manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

2. Duties in the Event of Loss

If the **Insured** has reason to believe that any loss of, or loss from damage to, **Money, Securities** or **Other Property** involves a violation of law, the **Insured** must notify the police.

E. Insuring Clause G. Computer Hacking

1. Special Single Loss Limit of Insurance for Specified Property

The Insurer will pay only up to \$5,000 for any one **Occurrence** of loss of, and loss from damage to, manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them. The Special Single Loss Limit of Insurance shall not apply to **Electronic Data** or **Computer Programs**.

2. Duties in the Event of Loss

If the **Insured** has reason to believe that any loss of, or loss from damage to, **Money, Securities** or **Other Property** involves a violation of law, the **Insured** must notify the police.

F. Insuring Clause I. Money Orders and Counterfeit Paper Currency

Duties in the Event of Loss

The **Insured** must notify the police if the **Insured** has reason to believe the **Insured** has accepted a **Counterfeit** money order or **Counterfeit** paper currency.

G. Insuring Clause J. Fraudulently Induced Transfers and Insuring Clause G. Computer Hacking

If a loss is covered under Insuring Clause J. Fraudulently Induced Transfers and Insuring Clause G. Computer Hacking, the maximum amount payable under this Coverage Section for such loss shall not exceed the **Fraudulently Induced Transfers** Insuring Clause Single Loss Limit of Insurance.

H. Insuring Clause K. Computer System Restoration Expense

Duties in the Event of Loss

The **Insured** must notify the police if the **Insured** has reason to believe that any loss from damage to **Electronic Data** or **Computer Programs** involves a violation of law.