



*We Keep Life Moving*



## **SentryWest Insurance Services**

[www.sentrywest.com](http://www.sentrywest.com)

3860 South 2300 East  
Salt Lake City, UT, 84109

PO BOX 9289  
Salt Lake City, UT, 84109

Thank you! We value the opportunity you have provided for SentryWest to serve your insurance needs. The following will be the team assigned to support your needs. Please contact us with any questions regarding your policy, changes in exposures, claims issues or any general questions.

### **Your SentryWest Service Team**

**Account Executive:** Tiffanie Thompson    [tiffanie.thompson@sentrywest.com](mailto:tiffanie.thompson@sentrywest.com)    801.308.2074

### **Certificates of Insurance:**

#### **HOA Requests**    [eo@sentrywest.com](mailto:eo@sentrywest.com)

Please include the name, address and e-mail or fax number to be used in providing the certificate. If the request is for an additional insured please include an explanation of the reason for coverage request.

#### **All Other Certificate Requests**

Please send to the above account manager(s)

#### **Office Contact Information**

Local            801.272.8468

Fax             801.277.3511



# Disclaimers

- **Please review the policy.** It contains specific terms, conditions, limitations, and exclusions that will govern in the event of a loss.
- **All insurance policies contain exclusions and limitations.** Not all exclusions or limitations were addressed in our proposal, including those that may be covered by an endorsement. Policy language dictates coverage.
- **In evaluating your exposure to loss, we have been dependent upon information provided by you.** Representative examples include a completed application, list of drivers, statement of values, or an inspection of your operations.
- **If there is a change in your operations, please bring those to our attention.** We can then discuss the possible need for additional coverage. All premiums are subject to verification and re-rating based upon an audit of classification(s) and exposures. SentryWest does not make representations regarding the availability of coverage to cover any specific risk of loss in the broader insurance marketplace.
- **The liability or property limits shown on this proposal are per your request or per expiring policies.** *Higher liability or property limits may be available.* We are happy to provide a quotation for higher limits at your request.
- **Sentry West has agency agreements whereby we may receive additional compensation from insurers based on a combination of premium volume and claims experience.** Upon your written request, we will provide additional information regarding our agreements.
- **Premiums may be subject to audit and/or adjustment.** Portions of your premiums may be estimated amounts that are based on your anticipated exposures, such as payroll or sales. At the end of the policy term the insurance company may perform an audit of your records and you may receive an adjustment to the estimated premium that was originally billed. Refer to your policy for conditions.
- **Many policies are subject to a premium requirement.** Your policy may have a minimum earned/fully earned premium at the time the policy is bound. Please refer to the policy terms that apply.
- **Previously rejected coverage.** If we previously offered coverage options which have been rejected by you, we have no obligation to offer options for that coverage in the future unless you have specifically requested a quote for that specific coverage in writing.
- **SentryWest Insurance Services is not engaged in rendering legal, accounting, or other professional services.** If such advice or expert assistance is required, the services of a competent professional person should be sought, especially for contracts and risk transfer agreements.
- **The policy may be contingent upon certain underwriting items.** Additional information may be required by the company, including a satisfactory inspection of your premises. The insurance company may take additional action based on that additional information.

# Recommendations

**It is important that you advise us of any material changes in your operations.** Any variation or subsequent change could lead to complications in the event of loss.

**People purchase insurance to have reliable support in the event of a claim.** Our team is dedicated to claim advocacy – helping clients navigate the sometimes-difficult insurance claim process. Should an after-hours emergency occur, you should call your insurance carriers claim department and report the incident to our staff the next business day.

**Safety insights and innovation can help you avoid claims.** Our services include:

- Access to Loss Prevention Specialists that can assist with your specific needs
- Customized Loss Prevention Plans
- Access to Loss Prevention training, materials, and tools

**While we are a full-service agency, our Client Portal provides you many self-service options.**

It includes:

- 24/7 access to your account
- Request a Certificate of Insurance
- Make a payment on your account
- Issue and reprint previously issued Certificates of Insurance
- View/Download copies of your policies

**Exposure identification is the cornerstone of successful risk management program.** At your request, we can audit your existing program to determine its suitability to your needs. Areas we review include:

- Adequacy of coverage and limits
- Highlight significant restrictions of coverage
- Duplications of or gaps in coverage
- Suitability of forms
- Financial stability and service capability of insurance carrier(s)

**Our broad range of products and services can be customized to your individual needs.** Our offerings include:

- Bonds / Surety
- Builders Risk / Installation Floater
- Captive Programs / Alternative Risk Transfer
- Crime
- Directors & Officers Liability
- Foreign Exposures (including Workers Compensation and Liability)
- Marine Coverage (ocean & inland)
- Pollution

**We believe every business should have the following coverages in place.** We are happy to provide a quote at your request.

- Property
- General Liability
- Auto
- Workers Compensation
- Cyber
- Employment Practices Liability
- Professional Liability / E&O
- Earthquake
- Flood
- Pollution

TAILORED PROTECTION POLICY DECLARATIONS

Renewal Effective01-29-2024

POLICY NUMBER214639-57154640-24

Company Use57-46-ID-2101

Company Bill	Policy Term	
	12:01 a.m.	12:01 a.m.
	01-29-2024	to 01-29-2025

In consideration of payment of the premium shown below, this policy is renewed. Please attach this Declarations and attachments to your policy. If you have any questions, please consult with your agent.

55039 (11-87)

COMMON POLICY INFORMATION

Business Description: Commercial Condos

Entity: Association

Program: Mercantile

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PART(S):	PREMIUM
COMMERCIAL PROPERTY COVERAGE	\$2,792.00
MINIMUM PROPERTY PLUS PREMIUM ADJUSTMENT (CP)	\$45.00
COMMERCIAL GENERAL LIABILITY COVERAGE	\$122.00
MINIMUM PREMIUM ADJUSTMENT (GL)	\$198.00
TOTAL	\$3,157.00
PAID IN FULL DISCOUNT	\$260.00
TOTAL POLICY PREMIUM IF PAID IN FULL	\$2,897.00
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	
The Paid in Full Discount does not apply to fixed fees, statutory charges or minimum premiums.	

Forms that apply to all coverage part(s) shown above (except garage liability, dealer's blanket, commercial automobile, if applicable):  
IL0017 (11-85) 55000 (07-12) 59390 (11-20)

Auto-Owners Ins. Co.

Issued 12-26-2023

AGENCY SENTRY WEST INSURANCE SERVICES  
43-0083-00 MKT TERR 076Company  
BillPOLICY NUMBER 214639-57154640-24  
57-46-ID-2101

INSURED AIRPORT BUSINESS &amp; STORAGE

Term 01-29-2024 to 01-29-2025

54104 (07-87)

**COMMERCIAL PROPERTY COVERAGE**

55198 (12-10)

**PREMIER PROPERTY PLUS COVERAGE PACKAGE DECLARATION**

The coverages and limits below apply separately to each location or sublocation that sustains a loss to covered property and is designated in the Commercial Property Coverage Declarations. No deductible applies to the below Property Plus Coverages.

COVERAGE	LIMIT
ACCOUNTS RECEIVABLE	\$200,000
BAILEES	\$15,000
	\$10,000 PER ITEM
BUSINESS INCOME & EXTRA EXPENSE W/RENTAL VALUE, INCLUDING NEWLY ACQUIRED LOC'S 0 HOUR WAITING PERIOD	\$150,000
DEBRIS REMOVAL	\$100,000
ELECTRONIC DATA PROCESSING EQUIPMENT	\$100,000
EMPLOYEE DISHONESTY	\$50,000
FINE ARTS, COLLECTIBLES AND MEMORABILIA	\$50,000
	\$10,000 PER ITEM
FIRE DEPARTMENT SERVICE CHARGE	\$25,000
FORGERY AND ALTERATION	\$50,000
MONEY AND SECURITIES INSIDE PREMISES	\$50,000
MONEY AND SECURITIES OUTSIDE PREMISES	\$50,000
NEWLY ACQUIRED BUSINESS PERSONAL PROPERTY	\$500,000 FOR 90 DAYS
NEWLY ACQUIRED OR CONSTRUCTED PROPERTY	\$1,000,000 FOR 90 DAYS
ORDINANCE OR LAW	SEE COMMERCIAL PROPERTY DECLARATIONS
OUTDOOR PROPERTY	\$25,000
TREES, SHRUBS OR PLANTS	\$1,000 PER ITEM
RADIO OR TELEVISION ANTENNAS	\$20,000
PERSONAL EFFECTS AND PROPERTY OF OTHERS	\$50,000
POLLUTANT CLEAN UP AND REMOVAL	\$100,000
PROPERTY IN TRANSIT	\$100,000
PROPERTY OFF PREMISES	\$100,000
REFRIGERATED PRODUCTS	\$25,000
SALESPERSON'S SAMPLES	\$25,000

Auto-Owners Ins. Co.

Issued 12-26-2023

AGENCY SENTRY WEST INSURANCE SERVICES  
43-0083-00 MKT TERR 076Company POLICY NUMBER 214639-57154640-24  
Bill 57-46-ID-2101

INSURED AIRPORT BUSINESS &amp; STORAGE

Term 01-29-2024 to 01-29-2025

55198 (12-10)

**PREMIER PROPERTY PLUS COVERAGE PACKAGE DECLARATION**

COVERAGE	LIMIT
UTILITY SERVICES FAILURE	\$150,000
VALUABLE PAPERS AND RECORDS ON PREMISES	\$150,000
VALUABLE PAPERS AND RECORDS OFF PREMISES	\$25,000
WATER BACK-UP FROM SEWERS OR DRAINS	\$50,000

## Forms that apply to this coverage part:

64004 (12-10)	54198 (12-10)	54334 (12-10)	64020 (12-10)	54189 (12-10)
54186 (12-10)	54218 (03-13)	54217 (07-17)	54216 (03-13)	54214 (03-13)
54221 (12-10)	54220 (06-00)	54219 (12-10)	54338 (03-13)	54339 (03-13)
64010 (12-10)	64352 (12-20)	64000 (12-10)		

**Coverages Provided**

Insurance at the described premises applies only for coverages for which a limit of insurance is shown.

**LOCATION 0001 - BUILDING 0001****Location:** 140 Havilland Way, Hailey, ID 83333-7737**Occupied As:** Commercial Condos**Secured Interested Parties:** None**Rating Information**

Territory: 070

Program: Mercantile

Protection Class: 04

Rated As Sprinklered

Class Rate - Building: 0.126

County: Blaine

Construction: Frame

Class Code: 1213

Annual Receipts: \$200,000

Class Rate - Bi &amp; Extra Exp: 1.720

COVERAGE	COINSURANCE	DEDUCTIBLE	LIMIT	RATE	PREMIUM
BUILDING			\$2,526,500		
Causes of Loss					
Basic Group I	100%	\$5,000		0.046	\$1,162.00
Basic Group II	100%	\$5,000		0.009	\$227.00
Special	100%	\$5,000		0.022	\$556.00
Theft	100%	\$5,000			Included
OPTIONAL COVERAGE					
Agreed Value Exp Date 01-29-2025					
Inflation Guard Factor Building 1.000					
Replacement Cost					
Equipment Breakdown		\$5,000	See Form 54843		\$60.00
Property Plus Coverage Package		None	See 55198 (12-10)		\$280.00
Tier: Premier					

Auto-Owners Ins. Co.

Issued 12-26-2023

 AGENCY SENTRY WEST INSURANCE SERVICES  
 43-0083-00 MKT TERR 076

 Company POLICY NUMBER 214639-57154640-24  
 Bill 57-46-ID-2101

INSURED AIRPORT BUSINESS &amp; STORAGE

Term 01-29-2024 to 01-29-2025

COVERAGE	COINSURANCE	DEDUCTIBLE	LIMIT	RATE	PREMIUM
ORDINANCE OR LAW					
Coverage A-Undamaged Portion		\$5,000	Incl in Bldg Limit		Included
Coverage B-Demolition		\$5,000	\$200,000		\$35.00
Coverage C-Increased Cost		\$5,000	\$200,000		\$35.00
BI & EXTRA EXP			Actual Loss Sustained		
0 Hour Waiting Period			12 Months		
Causes of Loss					
Special	0%	\$0		1.994	\$399.00
Theft	0%	\$0			Included
OPTIONAL COVERAGE					
Equipment Breakdown		\$0	See Form 54843		\$10.00

## Forms that apply to this building:

59350 (01-15)	54835 (07-08)	IL0204 (07-02)	IL0003 (07-02)	64224 (01-16)
59325 (12-19)	64326 (07-19)	CP0090 (07-88)	64000 (12-10)	64013 (12-10)
64010 (12-10)	54843 (07-19)	64020 (12-10)	64004 (12-10)	64352 (12-20)
64014 (07-17)	59390 (11-20)			

COMMERCIAL PROPERTY COVERAGE - LOCATION 0001 SUMMARY	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 54835, 59390	\$28.00
LOCATION 0001	\$2,792.00

55040 (11-87)

## COMMERCIAL GENERAL LIABILITY COVERAGE

COVERAGE	LIMITS OF INSURANCE
General Aggregate	\$3,000,000
(Other Than Products-Completed Operations)	
Products-Completed Operations Aggregate	\$3,000,000
Personal And Advertising Injury	\$2,000,000
Each Occurrence	\$2,000,000
COMMERCIAL GENERAL LIABILITY PLUS ENDORSEMENT	
Damage to Premises Rented to You	\$300,000 Any One Premises
(Fire, Lightning, Explosion, Smoke or Water Damage)	
Medical Payments	\$10,000 Any One Person
Hired Auto & Non-Owned Auto	\$2,000,000 Each Occurrence
Expanded Coverage Details See Form:	
Extended Watercraft	
Personal Injury Extension	
Broadened Supplementary Payments	
Broadened Knowledge Of Occurrence	

Auto-Owners Ins. Co.

Issued 12-26-2023

 AGENCY SENTRY WEST INSURANCE SERVICES  
 43-0083-00 MKT TERR 076

 Company POLICY NUMBER 214639-57154640-24  
 Bill 57-46-ID-2101

INSURED AIRPORT BUSINESS &amp; STORAGE

Term 01-29-2024 to 01-29-2025

COVERAGE	LIMITS OF INSURANCE
Additional Products-Completed Operations Aggregate Blanket Additional Insured - Lessor of Leased Equipment Blanket Additional Insured - Managers or Lessors of Premises Newly Formed or Acquired Organizations Extension Blanket Waiver of Subrogation	

Twice the "General Aggregate Limit", shown above, is provided at no additional charge for each 12 month period in accordance with form 55885.

**AUDIT TYPE:** Non-Audited

Forms that apply to this coverage:

59350 (01-15)	55405 (07-08)	55146 (06-04)	CG2106 (05-14)	CG2109 (06-15)
55091 (05-17)	CG2004 (11-85)	IL0021 (07-02)	59325 (12-19)	CG0001 (04-13)
55513 (05-17)	IL0017 (11-85)	55029 (05-17)	CG2196 (03-05)	CG2132 (05-09)
IL0204 (07-02)	CG2147 (12-07)	55885 (05-17)	59390 (11-20)	

**LOCATION 0001 - BUILDING 0001****Location:** 140 Havilland Way, Hailey, ID 83333-7737**Territory:** 002**County:** Blaine

CLASSIFICATION	CODE	SUBLINE	PREMIUM BASIS	RATE	PREMIUM
Commercial General Liability Plus Endorsement Included At 7.5% Of The Premises Operation Premium	00501	Prem/Op	Prem/Op Prem Included	Included	Included
Condominiums - Commercial - Warehouses Manufacturing Or Private (Association Risk Only)	62002	Prem/Op Prod/Comp Op	Area 15,862 15,862	Each 1000 6.818 .795	\$108.00 \$13.00
Warehouses-Manufacturing Or Private Buildings Or Premises-Occupied By Single Interest (Lessors Risk Only)	68703		Area	Each 1000	

**COMMERCIAL GENERAL LIABILITY COVERAGE - LOCATION 0001 SUMMARY**

	PREMIUM
TERRORISM - CERTIFIED ACTS SEE FORM: 59350, 55405, 59390	\$1.00
<b>LOCATION 0001</b>	<b>\$122.00</b>

54835 (7-08)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **CONDITIONAL EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART**

#### **A. Applicability Of This Endorsement**

- 1. The provisions of this endorsement will apply if and when one of the following situations occurs:**
  - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act), terminates; or**
  - b. The Program is renewed, extended or otherwise continued in effect:**
    - (1) With revisions that increase insurers' statutory percentage deductible or decrease the federal government's statutory percentage share in potential terrorism losses above such deductible, or that results in a change in the level or terms or conditions of coverage; and**
    - (2) We are not required by the Program to make terrorism coverage available to you and elect not to do so.**
- 2. When this endorsement becomes applicable in accordance with the terms of A.1.a. or A.1.b., above, it supersedes any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism".**

- 3. If this endorsement does NOT become applicable, then any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism", will remain in effect. However, if the Program is renewed, extended or otherwise continued in effect with revisions that change the level or terms or conditions of coverage, and we are required to offer you the revised coverage or to provide the revised coverage to those who previously accepted coverage under the Program, then we will take the appropriate steps in response to the federal requirements.**

- B. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks. "Terrorism" means activities against persons, organizations or property of any nature:**

- 1. That involve the following or preparation for the following:**
  - a. Use or threat of force or violence; or**
  - b. Commission or threat of a dangerous act; or**
  - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and**

**2. When one or both of the following applies:**

- a.** The effect is to intimidate or coerce a government or the civilian population or any segments thereof, or to disrupt any segment of the economy; or
- b.** It appears that the intent is to intimidate or coerce a government or the civilian population or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

**C. The following exclusion is added:****Exclusion Of "Terrorism"**

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies only when one or more of the following are attributed to an incident of "terrorism":

- 1.** The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination;
- 2.** Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material;
- 3.** The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- 4.** Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, regardless of whether this endorsement was in effect during the entirety of that time period or not.

64326 (7-19)

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

## **CHANGES - ACTUAL CASH VALUE AND DEPRECIATION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART**

Wherever it appears in this Coverage Part and any endorsement attached to this Coverage Part:

- 1.** Actual cash value means the cost to repair or replace lost or damaged property with property of similar quality and features reduced by the amount of depreciation applicable to the lost or damaged property immediately prior to the loss.
- 2.** Depreciation means a decrease in value because of age, wear, obsolescence or market value and includes:
  - a.** The cost of materials, labor and services;

- b.** Any applicable taxes; and
- c.** Profit and overhead necessary to repair, rebuild or replace lost or damaged property.

The meanings of actual cash value and depreciation in this endorsement supersedes any provision in this Coverage Part and any endorsement attached to this Coverage Part to the contrary.

All other policy terms and conditions apply.

64352 (12-20)

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

## **CHANGES - EXCLUSION FOR INSECTS, BIRDS, RODENTS OR OTHER ANIMALS**

This endorsement modifies insurance provided under the following:

### **CAUSES OF LOSS - SPECIAL FORM**

**B. EXCLUSIONS, 2.d.(5)** is deleted and replaced by the following exclusion.

**(5)** Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

All other policy terms and conditions apply.

55405 (7-08)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## CONDITIONAL EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

### A. Applicability Of This Endorsement

1. The provisions of this endorsement will apply if and when one of the following situations occurs:
  - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act), terminates; or
  - b. The Program is renewed, extended or otherwise continued in effect:
    - (1) With revisions that increase insurers' statutory percentage deductible or decrease the federal government's statutory percentage share in potential terrorism losses above such deductible, or that results in a change in the level or terms or conditions of coverage; and
    - (2) We are not required by the Program to make terrorism coverage available to you and elect not to do so.
2. When this endorsement becomes applicable in accordance with the terms of A.1.a. or A.1.b., above, it supersedes any terrorism

endorsement already endorsed to this policy that addresses "certified acts of terrorism".

3. If this endorsement does NOT become applicable, then any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism", will remain in effect. However, if the Program is renewed, extended or otherwise continued in effect with revisions that change the level or terms or conditions of coverage, and we are required to offer you the revised coverage or to provide revised coverage to those who previously accepted coverage under the Program, then we will take the appropriate steps in response to the federal requirements.

- B. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.

"Terrorism" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
  - a. Use or threat of force or violence; or
  - b. Commission or threat of a dangerous act; or

- c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

2. When one or both of the following applies:

- a. The effect is to intimidate or coerce a government or the civilian population or any segments thereof, or to disrupt any segment of the economy; or
- b. It appears that the intent is to intimidate or coerce a government or the civilian population, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

C. The following exclusion is added:

**Exclusion Of "Terrorism"**

We will not pay for "bodily injury", "property damage", "personal injury" or "advertising injury" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". All "bodily injury", "property damage", "personal injury" or "advertising injury" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such

injury or damage. This exclusion applies only when one or more of the following are attributed to an incident of "terrorism":

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination;
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material;
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, regardless of whether this endorsement was in effect during the entirety of that time period or not.

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM  
AND  
IMPORTANT INFORMATION REGARDING TERRORISM RISK  
INSURANCE COVERAGE**

It is agreed:

1. With respect to any one or more certified acts of terrorism, we will not pay any amounts for which we are not responsible because of the application of any provision which results in a cap on our liability for payments for terrorism losses in accordance with the terms of the federal Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act).
2. Certified act of terrorism means any act certified by the Secretary of the Treasury, in consultation with:
  - a. the Secretary of Homeland Security; and
  - b. the Attorney General of the United Statesto be an act of terrorism as defined and in accordance with the federal Terrorism Risk Insurance Act of 2002 (including ensuing Congressional actions pursuant to the Act).
3. Under the federal Terrorism Risk Act of 2002 (including ensuing Congressional actions pursuant to the Act) a terrorist act may be certified:
  - a. if the aggregate covered commercial property and casualty insurance losses resulting from the terrorist act exceed \$5 million; and
  - b. (1) if the act of terrorism is:
    - a) a violent act; or
    - b) an act that is dangerous to human life, property or infrastructure; and(2) if the act is committed:
    - a) by an individual or individuals as part of an effort to coerce the civilian population of the United States; or
    - b) to influence the policy or affect the conduct of the United States government by coercion.

All other policy terms and conditions apply.

## IMPORTANT INFORMATION REGARDING TERRORISM RISK INSURANCE COVERAGE

The Terrorism Risk Insurance Act of 2002 was signed into law on November 26, 2002. The Act (including ensuing Congressional actions pursuant to the Act) defines an act of terrorism, to mean any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States to be (i) an act of terrorism; (ii) to be a violent act or an act that is dangerous to human life, property or infrastructure; (iii) to have resulted in damage within the United States or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and (iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

Subject to the policy terms and conditions, this policy provides insurance coverage for acts of terrorism as defined in the Act.

Any coverage for certain commercial lines of property and casualty insurance provided by your policy for losses caused by certified acts of terrorism are partially paid by the federal government under a formula established by federal law. Under this formula, the government will reimburse us for 85% of such covered losses that exceed the statutory deductible paid by us. However, beginning January 1, 2016 the share will decrease 1% per calendar year until it equals 80%. **You should also know that in the event aggregate insured losses exceed \$100 billion during any year the Act is in effect, then the federal government and participating United States insurers that have met their insurer deductible shall not be liable for the payment of any portion of that amount of the loss that exceeds \$100 billion. In the event that aggregate insured losses exceed \$100 billion annually, no additional claims will be paid by the federal government or insurers.** This formula is currently effective through December 31, 2020 unless extended.

The premium charge, if any, for this coverage is shown separately on the attached Declarations page. In the event of a certified act of terrorism, future policies also may include a government assessed terrorism loss risk-spreading premium in accordance with the provisions of the Act.

Please contact us if you would like to reject coverage for certified acts of terrorism.

43-0083-00  
SENTRY WEST INSURANCE SERVICES  
PO BOX 9289  
SALT LAKE CITY UT 84109-6289

# ***Auto-Owners*** **INSURANCE**

LIFE • HOME • CAR • BUSINESS

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PO BOX 30660 • LANSING, MI 48909-8160

Agency phone: 801-272-8468

12-26-2023

Auto-Owners Insurance Company

AIRPORT BUSINESS & STORAGE  
ASSOCIATION INC  
PO BOX 5764  
HAILEY ID 83333-5764

You can view your policy or change your paperless options at any time online at <a href="http://www.auto-owners.com">www.auto-owners.com</a> .
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RE: Policy 214639-57154640-24

Thank you for selecting Auto-Owners Insurance Group to serve your insurance needs! Feel free to contact your independent Auto-Owners agent with questions you may have. If you have questions your agent is unable to answer, please contact us at 517.323.1200.

Auto-Owners and its affiliate companies offer a full complement of policies, each of which has its own eligibility requirements, coverages and rates. Please take this opportunity to review your insurance needs with your Auto-Owners agent, and discuss which company and program may be most appropriate for you.

Auto-Owners Insurance Company was formed in 1916. Our A++ (Superior) rating by A.M. Best Company signifies that we have the financial strength to provide the insurance protection you need. The Auto-Owners Insurance Group is comprised of six property and casualty companies and a life insurance company.

***Serving Our Policyholders and Agents Since 1916***

## NOTICE OF PRIVACY PRACTICES

### What We Do To Protect Your Privacy

At Auto-Owners Insurance Group\*, we value your business and we want to retain your trust. In the course of providing products and services, we may obtain nonpublic personal information about you. We assure you that such information is used only for the purpose of providing our products and services to you.

### Protecting Confidentiality

Our agents and Company associates may have access to nonpublic personal information only for the purpose of providing our products or services to you. We maintain physical, electronic and procedural safeguards against unauthorized use of your nonpublic personal information.

### Information We Obtain

To assist in underwriting and servicing your policy, we may obtain nonpublic personal information about you. For example, we routinely obtain information through applications, forms related to our products or services, from visiting [www.auto-owners.com](http://www.auto-owners.com), and your transactions with us. We may obtain such information from our affiliates, independent insurance agents, governmental agencies, third parties, or consumer reporting agencies.

The type of information that we collect depends on the product or service requested, but may include your name, address, contact information, social security number, credit history, claims history, information to properly investigate and resolve any claims, or billing information. We may obtain your medical history with your permission. The nature and extent of the information we obtain varies based on the nature of the products and services you receive.

### The Internet and Your Information

If you would like to learn about how we gather and protect your information over the Internet, please see our online privacy statement at [www.auto-owners.com/privacy](http://www.auto-owners.com/privacy).

Generally, Auto-Owners may use cookies, analytics, and other technologies to help us provide users with better service and a more customized web experience. Our business partners may use tracking services, analytics, and other technologies to monitor visits to [www.auto-owners.com](http://www.auto-owners.com). The website may use web beacons in addition to cookies. You may choose to not accept cookies by changing the settings in your web browser.

Information obtained on our websites may include IP address, browser and platform types, domain names, access times, referral data, and your activity while using our site; who should use our web site; the security of information over the Internet; and links and co-branded sites.

### Limited Disclosure

Auto-Owners Insurance Group companies do not disclose any nonpublic personal information about their customers or former customers except as permitted by law. We do not sell your personal information to anyone. We do not offer an opportunity for you to prevent or "opt out of" information sharing since we only share personal information with others as allowed by law.

When sharing information with third parties to help us conduct our business, we require them to protect your personal information. We do not permit them to use or share your personal information for any purpose other than the work they are doing on our behalf or as required by law.

The types of information disclosed may include personal information we collect as necessary to service your policy or account, investigate and pay claims, comply with state and federal regulatory requests or demands, and process other transactions that you request. Third parties that receive disclosures may include your independent agent, regulators, reinsurance companies, fraud prevention agencies, or insurance adjusters.

## **How Long We Retain Your Information**

We generally retain your information as long as reasonably necessary to provide you services or to comply with applicable law and in accordance with our document retention policy. We may retain copies of information about you and any transactions or services you have used for a period of time that is consistent with applicable law, applicable statute of limitations or as we believe is reasonably necessary to comply with applicable law, regulation, legal process or governmental request, to detect or prevent fraud, to collect fees owed, to resolve disputes, to address problems with our services, to assist with investigations, to enforce other applicable agreements or policies or to take any other actions consistent with applicable law.

In some circumstances we may anonymize your personal information (so that it can no longer be associated with you) for research or statistical purposes, in which case we may use this information indefinitely without further notice to you. This allows the specific information collected (name, email, address, phone number, etc.) to become anonymous, but allows Auto-Owners to keep the transaction or engagement data.

## **Changes to the Privacy Policy**

We will provide a notice of our privacy policy as required by law. This policy may change from time to time, but you can always review our current policy by visiting our website at [www.auto-owners.com/privacy](http://www.auto-owners.com/privacy) or by contacting us.

## **Contact Us**

Auto-Owners Insurance Company  
Phone: 844-359-4595 (toll free)  
Email: [privacyrequest@aoins.com](mailto:privacyrequest@aoins.com)

\*Auto-Owners Insurance Group includes, Auto-Owners Insurance Company, Auto-Owners Life Insurance Company, Home-Owners Insurance Company, Owners Insurance Company, Property-Owners Insurance Company and Southern-Owners Insurance Company.

Policy Number: 214639-57154640-24  
Insurance Company: AUTO-OWNERS INSURANCE COMP  
Renewal Effective Date: 01-29-2024

Dear Policyholder,

Thank you for choosing us for your insurance needs. Your policy is set to renew on the renewal effective date shown above. This letter gives you advance notice of change(s) as listed below:

Your renewal premium will be \$3,157.00 or \$2,897.00 if paid in full. The premium has increased by \$307.00.  
(Calculated changes are based on your current policy information. Your actual premium could vary if the information on file is incorrect or if your needs and renewal coverages change.)

This notice is for informational purposes only. Your policy contains the specific terms and conditions of coverage.

If you have any questions regarding your policy or this notice, please contact your Auto-Owners Insurance agency.

## NOTIFICATION OF POSSIBLE CHANGES IN COVERAGE FOR TERRORISM

Dear Policyholder:

The Terrorism Risk Insurance Act (including ensuing Congressional actions pursuant to the Act) will expire on December 31, 2027 unless the Federal government extends the Act. What this means to you is the following:

1. Subject to policy terms and conditions, the enclosed policy will provide insurance coverage for certified acts of terrorism as defined in the Act only until December 31, 2027.
2. A conditional endorsement entitled, Conditional Exclusion Of Terrorism Involving Nuclear, Biological Or Chemical Terrorism (Relating To Disposition Of Federal Terrorism Risk Insurance Act) is enclosed. This conditional endorsement will only apply if the Act is not extended or if the Act is revised to increase statutory deductibles, decrease the federal government's share in potential losses above the statutory deductibles, change the levels, terms or conditions of coverage and we are no longer required to make terrorism coverage available and elect not to do so. It will not apply if the Act is simply extended.
3. The conditional endorsement will provide coverage for an incident of terrorism pursuant to the terms and conditions of the policy only if the incident does not involve nuclear, biological or chemical material.
4. A premium charge for the conditional endorsement will be applied effective January 1, 2028. The premium will be pro rated for the remainder of the policy term and is one-half of the current premium charge appearing in the Declarations for TERRORISM - CERTIFIED ACTS. However, it will only be made if the Terrorism Risk Insurance Act (including ensuing Congressional actions pursuant to the Act) is not extend. Revised Declarations will be mailed to you after January 1, 2028.
5. If the Act is extended without any revision, the enclosed policy will continue to provide coverage for certified acts of terrorism. The conditional endorsement will not be activated and the changes in coverage or premium referenced above will not apply.
6. If the Act is extended with revisions or is replaced, and we are required or elect to continue to offer coverage for certified acts of terrorism, we may amend this policy in accordance with the provisions of the revised Act or its replacement.

This notice is for informational purposes only.

If you have any questions concerning your policy or this notice, please contact your Auto-Owners agency.

**NOTICE OF CHANGE IN POLICY TERMS**  
**CHANGES - EXCLUSION FOR INSECTS, BIRDS, RODENTS OR OTHER ANIMALS**

Dear Policyholder,

Your policy is amended by the enclosed endorsement entitled CHANGES - EXCLUSION FOR INSECTS, BIRDS, RODENTS OR OTHER ANIMALS 64352 (12-20). The endorsement provides that your property exclusion for "Insects, birds, rodents or other animals" is now limited to losses involving "Nesting or Infestation, or discharge or release of waste products or secretions".

This notice is for informational purposes only. Your policy contains the specific terms and conditions of coverage.

If you have any questions regarding your policy or this notice, please contact your Auto-Owners agency.

**A.M. Best Rated A++**

This Policy is issued by the stock insurance company listed above ("Insurer").

THIS POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR IF ELECTED, THE EXTENDED REPORTING PERIOD AND REPORTED TO THE INSURER PURSUANT TO THE TERMS OF THE POLICY. AMOUNTS INCURRED FOR COSTS, CHARGES AND EXPENSES AND LOSS SHALL BE APPLIED AGAINST THE RETENTION AMOUNTS. PLEASE READ THIS POLICY CAREFULLY.

TERMS THAT APPEAR IN BOLD FACE TYPE HAVE SPECIAL MEANING. PLEASE REFER TO THE DEFINITIONS SECTION OF THIS POLICY.

**Policy Number:** ADOIDF160521272-004

**Renewal of:** ADOIDF160521272-003

Item A. **Parent Company & Principal Address:**  
Airport Business and Storage Association Inc  
140 Havilland Way  
Hailey, ID 83333-7737

Item B.  
**Policy Period:** From **01-29-2024** to **01-29-2025**  
12:01 a.m. local time at the Principal Address shown in Item A.

Item C. Coverage Section(s):

**INSURED PERSONS AND ORGANIZATION**

1. Limit of Liability:  
\$1,000,000 for each **Loss** (other than **Costs, Charges and Expenses**)
2. Aggregate Limit of Liability:  
\$1,000,000 aggregate for all **Loss** (other than **Costs, Charges, and Expenses**)

Item D. Retention:  
\$0 each **Claim**

Item E. Premium: \$813.00  
Taxes & Surcharges Amount: \$0.00  
  
Total Amount Due: \$813.00

Item F. **Extended Reporting Period**

1. One (1) year	30% of the premium set forth in Item E of the Declarations
2. Two (2) years	75% of the premium set forth in Item E of the Declarations
3. Three (3) years	120% of the premium set forth in Item E of the Declarations

As provided in subsection H of the General Terms and Conditions, only one of the above **Extended Reporting Period** options may be elected and purchased.

Item G.

**NOTICE TO INSURER:**

**Phone:**

800-433-0385 (Business Hours)

800-523-9254 (After Hours)

*Please be advised that Financial Lines claims must be reported in writing and cannot be reported by phone. Please refer to your policy for proper reporting procedures.*

**Mail:**

Chubb North America Claims

PO Box 5122

Scranton, PA 18505-0554

**FIRST NOTICES FAX:**

877-395-0131 (Toll Free)

**FIRST NOTICES EMAIL:**

[ChubbClaimsFirstNotice@Chubb.com](mailto:ChubbClaimsFirstNotice@Chubb.com)

Item H.

**Form Number**

Forms attached at **Policy** issuance:

**Edition**

**Title**

PF43716	0614	Community Association Directors & Officers and Employment Practices Liability Policy
PF43147	0614	COMMUNITY ASSOCIATION DIRECTORS & OFFICERS AND EMPLOYMENT PRACTICES LIABILITY POLICY
PF45221	0115	POLLUTION EXCLUSION AMENDED
ALL43826b	0820	FRAUD WARNINGS
PF43609	0814	AMENDATORY ENDORSEMENT - ID
ALL20887	1006	CHUBB PRODUCER COMPENSATION PRACTICES & POLICIES
PF45133	1214	FLSA SUBLIMIT
PF45137	1214	INSURED VS. INSURED DELETED
PF45354	0115	Cap On Losses From Certified Acts of Terrorism
PF46422	0715	TRADE OR ECONOMIC SANCTIONS ENDORSEMENT
TRIA11e	0820	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT
EPLIAssist	0329	EPL Assist
ILP001	0104	U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS
Cc1k11k	0422	Signatures (All states except OH)

Item I.

Producer Name and Mailing Address

TRIVEDI-CAPACITY ASSOCIATES INC.

5450 BRUCE B DOWNS BLVD SUITE 367

WESLEY CHAPEL, FL 33544

Producer Code: Z02483

**Community Association  
Directors & Officers and  
Employment Practices  
Liability Policy®**

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

**A. INSURING AGREEMENT WITH FULL PRIOR ACTS COVERAGE**

**Insurer** shall pay the **Loss** of the **Insureds** which the **Insureds** have become legally obligated to pay by reason of a **Claim** first made against an **Insured** during the **Policy Period** or, if elected, the **Extended Reporting Period**, and reported to the **Insurer** pursuant to Section K of this **Policy**, for a **Wrongful Act** or **Employment Practices Wrongful Act** taking place:

1. prior to the expiration date of the **Policy Period**; or
2. prior to cancellation or nonrenewal of the **Policy Period**; and

arising solely out of such **Insured's** duties on behalf of the **Company**.

**B. UNLIMITED EXTENSION**

If the **Parent Company** cancels or non-renews this **Policy** for any reason other than being sold, acquired or bankrupt, each **Insured Person** who was not actively serving on behalf of the **Company** at the time of the cancellation or nonrenewal shall be provided an unlimited extension of time to report any **Claims** for a **Wrongful Act** first made against the **Insured Person** after the date of such cancellation or non-renewal. If the **Claim** is for an **Employment Practices Wrongful Act**, the unlimited extension of time to report a **Claim** applies to the former directors and officers only and not to any other former **Insured Persons**. This extension of time to report **Claims** shall be afforded only in the event that (a) the **Wrongful Act** or **Employment Practices Wrongful Act** was committed before the date of cancellation or non-renewal, and (b) no directors and officers liability policy, or policy providing essentially the same type of coverage, or extended reporting period, is in effect at the time the **Claim** is made.

**C. DEFINITIONS**

All definitions shall apply equally to the singular and plural forms of the respective words.

1. **Application** means all applications, including any attachments thereto, and all other information and materials submitted by or on behalf of the **Insureds** to the **Insurer** in connection with the **Insurer** underwriting this **Policy** or any previous policies issued by the **Insurer** providing continuous coverage until the inception of this **Policy**. All such applications, attachments, information, materials and documents are deemed attached to and incorporated into this **Policy** as if physically attached hereto.
2. **Claim** means:
  - a) any written notice received by any **Insured** that any natural person or entity intends to hold such **Insured** responsible for a **Wrongful Act** or an **Employment Practices Wrongful Act**; or
  - b) any written demand received by and against any **Insured** for monetary damages or nonmonetary or injunctive relief, seeking to hold such **Insured** responsible for a **Wrongful Act** or an **Employment Practices Wrongful Act**; or

- c) any judicial or administrative proceeding initiated against any **Insured** seeking to hold such **Insured** responsible for a **Wrongful Act** or an **Employment Practices Wrongful Act**, including any proceeding conducted by the Equal Employment Opportunity Commission or similar federal, state or local agency, and any appeal therefrom.

A **Claim** shall be deemed first made when an **Insured** or her, his or its legal representative or agent first receives notice of a **Claim**.

3. **Company** means:

- a) the **Parent Company**; and
- b) any **Subsidiary**,

and includes any such entity as a debtor-in-possession or the bankruptcy estate of such entity under United States bankruptcy law or an equivalent status under the law of any other jurisdiction.

4. **Construction Defect** means any actual or alleged defective, faulty, or delayed construction, or any other matter constituting a construction defect under applicable law, regardless of whether it results from:

- a) defective or incorrect architectural plans or other designs;
- b) defective or improper soil testing;
- c) defective, inadequate or insufficient protection from subsoil or earth movement or subsidence;
- d) construction, manufacture or assembly of any tangible property;
- e) failure to provide or pay for any construction-related goods or services; or
- f) supervision or management of any construction-related activities.

5. **Costs, Charges and Expenses** means reasonable and necessary legal costs, charges, fees and expenses incurred by the **Insurer**, or by any **Insured** with the **Insurer's** consent, in defending **Claims** and the premium for appeal, attachment or similar bonds arising out of covered judgments, but with no obligation to apply for or furnish such bonds and only for the amount of such judgment that is up to the applicable Limit of Liability. **Costs, Charges and Expenses** do not include salaries, wages, fees, overhead or benefit expenses of or associated with any **Insured**.

6. **Domestic Partner** means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law or under the provisions of any formal program established by the **Company**.

7. **Discrimination** means

- a) termination of an employment relationship; or
- b) demotion or failure to hire or promote any natural person; or
- c) any other limitation or classification of an **Employee** or applicant for employment which would deprive a natural person of employment opportunities or adversely affect any natural person's status as an **Employee**;

on account of race, color, religion, age, sex, disability, pregnancy, national origin, marital status, sexual orientation or other protected class or characteristic established under applicable federal, state or local statute, ordinance, regulation or order.

8. **Employee** means any natural person whose labor or service is engaged and directed by the **Company** while performing duties related to the conduct of the **Company's** business, including leased, part-time, seasonal and temporary workers, volunteers and interns. An

**Employee's** status as an **Insured** will be determined as of the date of the **Wrongful Act or Employment Practices Wrongful Act** that resulted in the **Claim**.

9. **Employment Practices Wrongful Act** means any:

- a) **Discrimination**;
- b) **Harassment**;
- c) **Wrongful Termination**;
- d) wrongful deprivation of a career opportunity;
- e) employment-related defamation, libel, slander, disparagement, false imprisonment, misrepresentation, malicious prosecution, or invasion of privacy, or the giving of negative or defamatory statements in connection with an **Employee** reference;
- f) wrongful failure or refusal to adopt or enforce workplace or employment practices, policies or procedures;
- g) wrongful discipline;
- h) employment-related wrongful infliction of emotional distress, mental anguish, or humiliation;
- i) **Retaliation**;
- j) negligent evaluation, supervision or training;
- k) negligent violation of the Uniformed Services Employment & Reemployment Rights Act;
- l) negligent violation of the Family and Medical Leave Act of 1993;
- m) negligent violation of state law having the same or substantially similar purpose as the acts in (k) and (l) above; or
- n) acts described in clauses (a) through (m) above arising from the use of the **Company's** Internet, e-mail, telecommunication or similar systems, including the failure to provide and enforce adequate policies and procedures relating to such use of the **Company's** Internet, email, telecommunication or similar systems;

committed or allegedly committed by the **Company** or by an **Insured Person** acting solely within his or her capacity as such involving and brought by any **Employee**, former **Employee** or applicant for employment with the **Company** or asserted by any **Employee**, former **Employee** or applicant for employment with the **Company**, against an **Insured Person** because of his/her status as such.

10. **Extended Reporting Period** means the period described in Item F of the Declarations which is elected and purchased pursuant to Section F below.

11. **Harassment** means:

- a) sexual harassment including unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature that are made a condition of employment, used as a basis for employment decisions, or create a work environment that is hostile, intimidating or offensive or that otherwise interferes with performance; or
- b) other harassment which creates a work environment that is hostile, intimidating or offensive or that otherwise interferes with performance.

12. **Insured Persons** means all natural persons who were, now are or shall become:

- a) a director, officer, trustee, volunteer or committee member of the **Company**; and
- b) an **Employee**,

including estates, heirs, legal representatives or assigns in the event of death, incapacity or bankruptcy.

13. **Insureds** means the **Company** and **Insured Persons**.
14. **Insurer** means the insurance company providing this insurance and identified in the **Policy** Declarations.
15. **Interrelated Wrongful Acts** means all **Wrongful Acts** and all **Employment Practices Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of facts, circumstances, situations, events, transactions or causes. **Interrelated Wrongful Acts** shall be deemed to be one **Wrongful Act** or **Employment Practices Wrongful Act** and shall be deemed to have commenced at the time of the earliest **Wrongful Act** or **Employment Practices Wrongful Act**.
16. **Loss** means the damages, judgments, settlements, front pay and back pay, pre-judgment or post-judgment interest awarded by a court and incurred by any of the **Insureds**. **Loss** does not include:
  - a) taxes, fines or penalties;
  - b) matters uninsurable under the laws pursuant to which this **Policy** is construed;
  - c) punitive or exemplary damages, liquidated damages awarded by a court pursuant to a violation of the Equal Pay Act, the Age Discrimination in Employment Act or the Family Medical Leave Act, all as amended, or any rules or regulations promulgated thereunder, or similar provisions of any common or statutory federal, state or local law, or the multiple portion of any multiplied damage award, except to the extent that such punitive, exemplary, or liquidated damages or the multiple portion of any multiplied damage award are insurable under the internal laws of any jurisdiction which most favors coverage for such damages and which has a substantial relationship to the **Insureds**, **Insurer**, this **Policy** or the **Claim** giving rise to such damages;
  - d) the cost of any remedial, preventative or other non-monetary relief, including without limitation any costs associated with compliance with any such relief of any kind or nature imposed by any judgment, settlement or governmental authority;
  - e) amounts owed under any employment contract, partnership, stock or other ownership agreement, or any other type of contract;
  - f) disability, social security, workers compensation, medical insurance, retirement or pension benefit payments, or settlement amounts representing benefit payments;
  - g) any amount owed as wages, compensation or commission to any **Employee**, other than front pay or back pay; or
  - h) any amount for which the **Insured** is not financially liable or legally obligated to pay.
17. **Organic Pathogen** means any organic irritant or contaminant, including but not limited to mold, fungus, bacteria or virus, including but not limited to their byproduct such as mycotoxin, mildew, or biogenic aerosol.
18. **Parent Company** means the entity first named in Item A of the **Policy** Declarations.
19. **Policy** means, collectively, the Declarations, the **Application**, this policy form and any endorsements.
20. **Policy Period** means the period from the effective date and hour of the inception of this **Policy** to the **Policy** expiration date and hour as set forth in Item B of the **Policy** Declarations, or its earlier nonrenewal or cancellation date and hour, if any.
21. **Retaliation** means any actual or alleged retaliatory treatment of an **Employee** on account of:

- a) the disclosure or threat of disclosure by an **Employee** to a superior or to any governmental agency of any act by any **Insureds** where such act is alleged to be a violation of any federal, state local or foreign law, whether common or statutory, or any rule or regulation promulgated thereunder;
- b) the actual or attempted exercise by an **Employee** of any right that such **Employee** has under law, including rights under any worker's compensation law, the Family and Medical Leave Act of 1993, the Americans with Disabilities Act or any other law relating to employee rights;
- c) the filing of any claim under the Federal False Claims Act or any similar federal, state, local or foreign whistleblower law or whistleblower provision of any law;
- d) any legally-protected **Employee** work stoppage or slowdown; or
- e) an **Employee** assisting, cooperating or testifying in any proceeding or investigation into whether an **Insured** violated any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder.

22. **Subsidiary** means:

- a) any entity of which the **Parent Company** owns more than 50% as of the effective date of this **Policy** and which is disclosed as a subsidiary in an **Application** to the **Insurer**;
- b) any non-profit entity formed or acquired after the effective date of this **Policy** if:
  - i. its assets total less than 25% of the total consolidated assets of the **Parent Company** at the time of formation or acquisition; and
  - ii. the formation or acquisition with full particulars about the new **Subsidiary** has been disclosed to **Insurer** by the **Parent Company** as soon as practicable but no later than the expiration date of this **Policy**, or effective date of cancellation or non-renewal, if any;
- c) any non-profit entity formed or acquired after the effective date of this **Policy** if its assets total more than 25% of the total consolidated assets of the **Parent Company**, or any for-profit entity formed or acquired after the effective date of this **Policy**, if the:
  - i. **Parent Company** provides written notice to the **Insurer** of such **Subsidiary** as soon as practicable but within sixty (60) days of the formation or acquisition of the **Subsidiary**; and
  - ii. **Parent Company** provides the **Insurer** with such information as the **Insurer** may deem necessary to determine the insurability of the **Subsidiary**; and
  - iii. **Parent Company** accepts any special terms, exclusions, limitations, conditions or premium imposed by the **Insurer**; and
  - iv. **Insurer**, in its sole discretion, agrees to insure the **Subsidiary**.

23. **Third Party** means any natural person with whom an **Insured**, in their capacity as such, interacts while performing duties related to the conduct of the business of the **Company**; provided, however, **Third Party** shall not include any **Employee**.

24. **Third Party Discrimination** means any actual or alleged discrimination by an **Insured** in their capacity as such against a **Third Party** based upon the **Third Party's** race, color, religion, age, sex, disability, pregnancy, national origin, marital status, sexual orientation or other protected class or characteristic established under applicable federal, state or local statute ordinance, regulation or order, while such **Insured** is performing duties related to the conduct of the business of the **Company**.

25. **Third Party Harassment** means any actual or alleged:

- a) sexual harassment including any unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature against a **Third Party**; or
- b) other harassment which creates an environment that is hostile, intimidating or offensive to a **Third Party**;

committed or allegedly committed by an **Insured** in their capacity as such while the **Insured** is performing duties related to the conduct of the business of the **Company**.

26. **Transaction** means:

- a) the acquisition by any natural person or entity of more than 50% of the assets of the **Parent Company**; or
- b) the merger or consolidation of the **Parent Company** into another entity such that the **Parent Company** is not the surviving entity; or
- c) another entity, person or group of entities and/or natural persons acting in concert acquires the right to elect or select a majority of the directors of the **Parent Company**; or
- d) the sale by the **Parent Company** of all or substantially all of its assets.

27. **Wrongful Act** means any:

- a) actual or alleged act, error, omission, misleading statement, misstatement, neglect, or breach of duty:
  - i. committed or attempted by an **Insured Person**, arising solely from duties conducted on behalf of the **Company**; or
  - ii. committed or attempted by the **Company**; or
  - iii. asserted against an **Insured Person** because of an actual or alleged act, error, omission, misleading statement, misstatement, neglect, or breach of duty allegedly committed or attempted by the **Company**; or
- b) **Third Party Discrimination**; or
- c) **Third Party Harassment**.

#### D. EXCLUSIONS

**Insurer** shall not be liable for **Loss or Costs, Charges and Expenses** on account of any **Claim** made against an **Insured** alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving:

1. any actual or alleged bodily injury, sickness, humiliation, mental anguish, emotional distress, invasion of privacy, assault, battery, disease or death of any natural person, or theft, conversion, misappropriation or damage to or destruction of any tangible or intangible property including loss of use thereof or slander of title, whether or not such property is physically injured; provided, however, this exclusion shall not apply to:
  - a) **Claims** for defamation that result from a **Wrongful Act**. However, coverage afforded for defamation shall be only excess over the **Insured's** primary general liability policy, and any such excess coverage hereunder shall follow the terms and conditions of such general liability policy. Failure to maintain a general liability policy shall not create primary coverage under this **Policy**; or
  - b) **Claims** for mental anguish, emotional distress, invasion of privacy, or humiliation, libel, slander or defamation that result from an **Employment Practices Wrongful Act**;
2. conduct of the **Insured** or at the **Insured's** direction that is fraudulent, dishonest, criminal or with the intent to cause damage; provided, however this exclusion shall not apply to **Costs, Charges and Expenses** unless and until such excluded conduct is established by final and

non-appealable judgment or adjudication. No **Wrongful Act** of one or more **Insureds** shall be imputed to any other **Insureds** for the purpose of determining the applicability of this exclusion;

3. any of the **Insureds** gaining any profit, remuneration or advantage to which the **Insured** was not legally entitled. Provided, however, this exclusion shall not apply to any **Costs, Charges and Expenses** unless and until such excluded gain is established by a final and non-appealable judgment or adjudication. No **Wrongful Act** of one or more **Insureds** shall be imputed to any other **Insured** for the purpose of determining the applicability of this exclusion;
4. any actual, alleged or threatened discharge, dispersal, release, escape, seepage, migration or disposal of **Pollutants** into or upon land, the atmosphere or any water course or body of water, whether or not such actual, alleged or threatened discharge, dispersal, release or escape is sudden, accidental or gradual in nature; or any direction, demand, order or request that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**, or any voluntary decision to do so;

For purposes of this exclusion:

**Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on, a list of hazardous substances issued by the United States Environmental Protection Agency or any federal, state, county, municipal or local counterpart thereof or any foreign equivalent. Such substances shall include, without limitation, solids, liquids, gaseous, biological, bacterial or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials (including materials to be reconditioned, recycled or reclaimed). **Pollutants** shall also mean any other air emission or particulate, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products, noise, fungus, organic irritant or contaminant including mold, mildew or biogenic aerosol, and any mycotoxins, spores, scents or byproducts produced or released by fungi, and electric or magnetic or electromagnetic fields;

5. any form of **Organic Pathogen** including the actual, alleged or threatened discharge, dispersal, release, escape, seepage, migration or disposal of **Organic Pathogens**, including water damage that results or is alleged to result in the existence of **Organic Pathogens**, whether or not such actual, alleged or threatened existence, discharge, dispersal, release, escape, seepage, migration or disposal is sudden, accidental, intentional or gradual in nature or whether or not any resulting injury, damage, devaluation of property, cost or expense is expected or intended from the perspective of the **Insured**. There will be no coverage for the **Insured's** failure or alleged failure to discover or disclose the existence of **Organic Pathogens** from any source whatsoever or water damage that results or is alleged to result in the existence of **Organic Pathogens**. In addition, this Policy does not cover fines and penalties arising out of any governmental direction, or any request of any private party or citizen action that the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Organic Pathogens** or any **Claim** for the taking, use, acquisition or interference with rights of others in property or air space;
6. any radioactive, toxic or explosive properties of nuclear material which includes, but is not limited to, source material, special nuclear material and by-product material as those terms are defined in the Atomic Energy Act of 1954, any rules, regulations and amendments thereto, and any similar provisions in any common or statutory federal, state or local law and any rules, regulations and amendments thereto;
7. any pension, profit sharing, welfare benefit or other employee benefit program established in whole or in part for the benefit of any **Insured Person**, or any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (except Section 510 of such Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, all as amended, or any

rules, regulations and amendments thereto and any similar provisions in any common or statutory federal, state or local law and any rules, regulations and amendments thereto. Provided, however, this exclusion does not apply to that part of any such **Claim** alleging violations of the Equal Pay Act or **Retaliation** arising from any **Insured's** actual or alleged violation of such laws;

8. any **Claim** by, at the behest of, or on behalf of any **Insured** other than a:
  - a) derivative action brought and maintained on behalf of, in the name of or in the right of the **Company**, but only if brought and maintained totally independent of and without the solicitation, assistance, participation or intervention of any **Insured**; or
  - b) **Claim** for contribution or indemnity that is brought and maintained by or on behalf of any **Insured Person** and which is part of or results directly from a **Claim** which is otherwise covered by this **Policy**; or
  - c) **Claim** brought and maintained by an **Insured Person** for an **Employment Practices Wrongful Act**; or
  - d) **Claim** that is brought and maintained by or on behalf of any former director, trustee, officer, volunteer or committee member, but only if such **Claim** does not arise out of, directly or indirectly result from, is in consequence of, or in any way involves any **Wrongful Act**, **Employment Practices Wrongful Act**, responsibilities, actions, or failure to act by the **Insured** during the tenure of service to the **Insured** by such former director, trustee, officer, volunteer or committee member.
9. any **Claim** made by or against any builder, developer, or sponsor in their capacity as such;
10. any actual or alleged liability of any **Insured**, in whole or in part, including but not limited to actions for contribution or indemnity related to or for any **Construction Defect**;
11. any:
  - a) **Claim**, prior or pending litigation or administrative or regulatory proceeding, demand, arbitration, decree or judgment or formal or informal governmental investigation or inquiry, including without limitation any investigation by the U.S. Department of Labor or the U.S. Equal Employment Opportunity Commission of which any **Insured** had written notice before the effective date of this **Policy**; or
  - b) fact, circumstance, situation, transaction, event, **Wrongful Act** or **Employment Practices Wrongful Act** which, before the effective date of this **Policy**, was the subject of any notice by any **Insured** under any other similar insurance policy; or
  - c) any future **Claim**, litigation, proceeding, demand, arbitration, decree, judgment or governmental investigation or inquiry based upon the same or essentially the same matters described in 11a and 11b immediately above;
12. any **Wrongful Act** or **Employment Practices Wrongful Act** actually or allegedly committed or attempted by a **Subsidiary** or **Insured Persons** thereof before the date such entity became a **Subsidiary** or after the date such entity ceased to be a **Subsidiary**;
13. any actual or alleged responsibility, obligation or duty of any **Insured** pursuant to any workers compensation, unemployment compensation law, social security, disability benefits or pension benefits or similar law; provided, however, that this exclusion shall not apply to that part of any such **Claim** alleging **Retaliation**;
14. any strike, lockout, replacement of workers, picket line or any similar actions resulting from labor disputes or labor negotiations, provided, however, that this exclusion shall not apply to that part of any such **Claim** alleging **Retaliation**;
15. any (i) improper payroll deductions, unpaid wages, misclassification of exempt or non-exempt employee status, compensation earned by or due to the claimant but not paid by the **Insured** (including but not limited to commission, vacation and sick days, retirement benefits,

- and severance pay), overtime pay for hours actually worked or labor actually performed by any **Employee** of a **Company**, or any violation of any common or statutory federal, state, local or foreign law that governs the same topic or subject, or any rules, regulations or amendments thereto; or (ii) any violation of the responsibilities, obligations or duties imposed by the Fair Labor Standards Act (except the Equal Pay Act), as amended, or any rules, regulations and amendments thereto, or similar provisions of any common or statutory federal, state, local or foreign law or any rules, regulations and amendments thereto. Provided, however, this exclusion does not apply to any back pay or front pay allegedly due as the result of discrimination, or that part of any such **Claim** alleging **Retaliation**;
16. the actual or alleged breach of any express contract or agreement, provided, however this exclusion shall not apply to **Costs, Charges and Expenses** incurred in such **Claim**;
  17. any costs or actual or alleged liability resulting from the modification of any real or personal property to make such real or personal property more accessible or accommodating. This exclusion shall not apply to **Costs, Charges and Expenses** associated with such **Claim**, however, **Costs, Charges and Expenses** shall be a part of and not in addition to the Limit of Liability stated in Item C of the **Policy** Declarations;
  18. any **Wrongful Act, Employment Practices Wrongful Act**, fact, circumstance, or situation likely to give rise to a **Claim** of which any person who signed the **Application** had knowledge or a reasonable basis to anticipate might result in a **Claim** prior to the earlier of the inception date of this **Policy** or the inception date of the first **Policy** of this type issued by the **Insurer** to the **Parent Company**, provided that the **Insurer** has provided continuous coverage for the **Parent Company** from such date to the inception date of this **Policy**;
  19. any **Wrongful Act, Employment Practices Wrongful Act**, fact circumstance or situation which has been the subject of any written notice given under any other policy of which this **Policy** is a renewal or replacement or which it succeeds in time, or any other **Wrongful Act or Employment Practices Wrongful Act** whenever occurring which, together with a **Wrongful Act or Employment Practices Wrongful Act** which has been the subject of such notice, would constitute **Interrelated Wrongful Acts**.

## E. LIMITS OF LIABILITY AND RETENTIONS

1. Limits of Liability:
  - a) The amount set forth in Item C1 of the **Policy** Declarations shall be the maximum aggregate limit of liability for the payment of all **Loss** from each **Claim** under this **Policy**, subject to (i) subsection 1b) immediately below, and (ii) additional payments for **Costs, Charges and Expenses** as set forth in subsection 1d) immediately below;
  - b) The amount set forth in Item C2 of the **Policy** Declarations shall be the maximum aggregate limit of liability for payment of all **Loss** for all **Claims** under this **Policy**, subject to additional payments for **Costs, Charges and Expenses** as set forth in subsection 1d) immediately below;
  - c) The Limit of Liability for the **Extended Reporting Period**, if applicable, shall be a part of and not in addition to the limit specified in Item C of the **Policy** Declarations;
  - d) Payments of **Loss** by **Insurer** shall reduce the Limits of Liability under this **Policy**. Payments of **Costs, Charges and Expenses** are in addition to and shall not reduce the Limits of Liability. However, if such Limits of Liability are exhausted by payment of **Loss**, the obligations of the **Insurer** under this **Policy**, including those for **Costs, Charges and Expenses**, are completely fulfilled and extinguished.
2. Retention:
  - a) The liability of the **Insurer** shall apply in each **Claim** only to that part of **Loss** which is excess of the Retention amount shown in Item D of the **Policy** Declarations. Such Retention shall be borne uninsured by the **Insureds** and at their own risk;

- b) The **Insurer** shall have no obligation to pay any part or all of the Retention specified in Item D of the **Policy** Declarations for any **Claim** on behalf of an **Insured**. If the **Insurer**, at its sole discretion, elects to pay any part or all of the Retention, the **Insureds** agree to repay such amounts to the **Insurer** upon demand;
  - c) The Retention shall not apply to **Loss** or **Costs, Charges and Expenses** paid on behalf of an **Insured Person** for a **Wrongful Act** or an **Employment Practices Wrongful Act** to the extent the **Company** has not indemnified such **Insured Person** for such **Loss** or **Costs, Charges and Expenses**, subject to the terms and conditions of subsection d) immediately below;
  - d) Regardless of whether **Loss** and **Costs, Charges and Expenses** resulting from any **Claim** against an **Insured Person** is actually indemnified in fact by the **Company**, the Retention set forth in the **Policy** Declarations shall apply to any **Loss** and **Costs, Charges and Expenses** if indemnification of the **Insured Persons** by the **Company** is legally permissible. The certificate of incorporation, charter, articles of association or other organizational documents of the **Company**, including bylaws and resolutions, shall be deemed to have been adopted or amended to provide indemnification to the **Insured Persons** to the broadest extent permitted by law. However, if an **Insured Person** is not indemnified for **Loss** and **Costs, Charges and Expenses** solely by reason of the **Company's** financial insolvency or because indemnification is not legally permissible, the **Insured Person's** Retention as stated on the **Policy** Declarations shall be amended to \$0. This change in Retention shall not affect any other terms or conditions of this **Policy**.
3. All **Claims** arising out of the same **Wrongful Act** or the same **Employment Practices Wrongful Act** and all **Interrelated Wrongful Acts**, shall be deemed to be a single **Claim**, and such **Claim** shall be deemed to have been made at the earliest of the following times, regardless of whether such date is before or during the **Policy Period**:
- a) the time at which the earliest **Claim** involving the same **Wrongful Act, Employment Practices Wrongful Act** or **Interrelated Wrongful Acts** is first made; or
  - b) the time at which the **Claim** involving the same **Wrongful Act, Employment Practices Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed to have been made pursuant to subsection K2 below.

#### F. EXTENDED REPORTING PERIOD

- 1. If this **Policy** is cancelled or is not renewed for any reason other than non-payment of premium, then the **Parent Company** shall have the right, upon payment of the additional applicable premium calculated at that percentage shown in Item F of the Declarations of the total premium for this **Policy**, to purchase an extension of the coverage granted by this **Policy** with respect to any **Claim** first made during the period of time set forth in Item F of the Declarations after the effective date of such cancellation or, in the event of a refusal to renew, after the **Policy** expiration date, but only with respect to any **Wrongful Act** committed before such date.
- 2. As a condition precedent to the right to purchase the **Extended Reporting Period** set forth in subsection F1 above, the total applicable premium for the **Policy** must have been paid. Such right to purchase the **Extended Reporting Period** shall terminate unless written notice, together with full payment of the premium for the **Extended Reporting Period**, is received by **Insurer** within thirty (30) days after the effective date of cancellation, or, in the event of a refusal to renew, within thirty (30) days after the **Policy** expiration date. If such notice and premium payment is not so given to **Insurer**, there shall be no right to purchase the **Extended Reporting Period**.

3. In the event of the purchase of the **Extended Reporting Period**, the entire premium therefore shall be deemed earned at the commencement of the **Extended Reporting Period**.
4. The exercise of the **Extended Reporting Period** shall not in any way increase or reinstate the limit of **Insurer's** liability under this **Policy**.
5. Coverage for **Claims** or circumstances which ultimately lead to **Claims** first received and reported during the **Extended Reporting Period** shall be in excess over any other valid and collectible insurance providing coverage for such **Claims**.<sup>7</sup>

#### G. PROPERTY MANAGER/MANAGEMENT COMPANY EXTENSION

The property manager and management company is included as an additional insured, but only with respect to **Claims** arising out of **Wrongful Acts** or **Employment Practices Wrongful Acts** while acting within the scope of his, her or its duties on behalf of the **Insured**. However, there shall be no coverage afforded for a **Claim** brought by or on behalf of the property manager or management company, any current or former **Employee** thereof, or any applicant for employment with the property manager or management company.

#### H. ESTATES, LEGAL REPRESENTATIVES, AND SPOUSES

The estates, heirs, legal representatives, assigns, spouses and **Domestic Partners** of natural persons who are **Insureds** shall be considered **Insureds** under this **Policy**; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns, spouses and **Domestic Partners** only for a **Claim** arising solely out of their status as such and, in the case of a spouse or **Domestic Partner**, where the **Claim** seeks damages from marital community property, jointly held property or property transferred from the natural person who is an **Insured** to the spouse or **Domestic Partner**. No coverage is provided for any **Wrongful Act** or **Employment Practices Wrongful Act** of an estate, heir, legal representative, assign, spouse or **Domestic Partner**. All of the terms and conditions of this **Policy** including, without limitation, the Retentions applicable to **Loss** incurred by natural persons who are **Insureds** shall also apply to **Loss** incurred by such estates, heirs, legal representatives, assigns, spouses and **Domestic Partners**.

#### I. SETTLEMENT AND DEFENSE

1. It shall be the duty of the **Insurer** and not the duty of the **Insureds** to defend any **Claim**. Such duty shall exist even if any of the allegations are groundless, false or fraudulent. The **Insurer's** duty to defend any **Claim** shall cease when the Limits of Liability have been exhausted by the payment of **Loss**.
2. The **Insurer** may make any investigation it deems necessary and shall have the right to adjust, defend, appeal and settle any **Claim**, provided, however, no settlement shall be made without the consent of the **Parent Company**, such consent not to be unreasonably withheld.
3. The **Insureds** agree not to settle or offer to settle any **Claim**, incur any **Costs, Charges and Expenses** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the prior written consent of the **Insurer**, except at personal cost. The **Insured** shall not demand or agree to arbitration of any **Claim** without the written consent of the **Insurer**. The **Insurer** shall not be liable for any settlement, **Costs, Charges and Expenses**, assumed obligation or admission to which it has not consented. The **Insureds** shall promptly send to the **Insurer** all settlement demands or offers received by any **Insured** from any claimant.

4. The **Insureds** agree to provide the **Insurer** with all information, assistance and cooperation which the **Insurer** reasonably requests and agree that, in the event of a **Claim**, the **Insureds** will do nothing that shall prejudice the position of the **Insurer** or its potential or actual rights of recovery. Upon the **Insurer's** request, the **Insured** shall submit to examination and interrogation by a representative of the **Insurer**, under oath if required, and shall attend hearings, depositions, and trials, and shall assist in the conduct of suits, including but not limited to effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, giving written statements to the **Insurer's** representatives and meeting with such representatives for the purpose of investigation and/or defense, all of the above without charge to the **Insurer**.
5. The **Insured** shall execute all papers required and shall do everything that may be necessary to secure and preserve any rights of indemnity, contribution or apportionment which the **Insured** or the **Insurer** may have, including the execution of such documents as are necessary to enable the **Company** to bring suit in the **Insured's** name, and shall provide all other assistance and cooperation which the **Insurer** may reasonably require.

#### J. PAYMENT PRIORITY

If the amount of any **Loss** which is otherwise due and owing by the **Insurer** exceeds the then-remaining Limit of Liability applicable to the **Loss**, the **Insurer** shall pay the **Loss**, subject to such Limit of Liability, in the following priority:

1. First, the **Insurer** shall pay any otherwise covered **Loss** of the **Insured Persons** in excess of the Retention shown in Item D of the Declarations; and
2. Second, only if and to the extent the payment under subsection 1 immediately above does not exhaust the applicable Limit of Liability, the **Insurer** shall pay any otherwise covered **Loss** of the **Company** in excess of the Retention shown in Item D of the Declarations.

#### K. NOTIFICATION

1. As a condition precedent to their rights to payment under this **Policy**, the **Insureds** shall give to **Insurer** written notice of any **Claim** made against the **Insureds** as soon as practicable, but in no event later than: (a) sixty (60) days after the expiration of the **Policy Period**; (b) the last date of the an **Extended Reporting Period** if one has been purchased; or (c) the effective date of cancellation or nonrenewal, if an **Extended Reporting Period** has not been purchased.
2. If, during the **Policy Period** or the **Extended Reporting Period**, any **Insured** (i) first becomes aware of facts or circumstances which may reasonably give rise to a future **Claim** covered under this **Policy**, and (ii) during the **Policy Period** or the **Extended Reporting Period**, if purchased, gives written notice to **Insurer** as soon as practicable of:
  - a) a description of the **Wrongful Act** or **Employment Practices Wrongful Act** allegations anticipated;
  - b) the identity of the potential claimants;
  - c) the circumstances by which the **Insureds** first became aware of the **Wrongful Act** or **Employment Practices Wrongful Act**;
  - d) the identity of the **Insureds** allegedly involved;

- e) the consequences which have resulted or may result; and
- f) the nature of the potential monetary damages and non-monetary relief;

then any **Claim** made subsequently arising out of such **Wrongful Act** or **Employment Practices Wrongful Act** shall be deemed to have been made at the time such written notice was received by the **Insurer**. No coverage is provided for fees, expenses and other costs incurred prior to the time such **Wrongful Act** or **Employment Practices Wrongful Act** results in a **Claim**.

- 3. Notice to **Insurer** shall be given to the address specified in Item G1 of the **Policy** Declarations.

#### **L. CANCELLATION AND NON-RENEWAL**

- 1. By acceptance of this **Policy**, the **Insureds** hereby confer to the **Parent Company** the exclusive power and authority to cancel this **Policy** on their behalf. The **Parent Company** may cancel this **Policy** by surrender thereof to the **Insurer**, or by mailing written notice to the **Insurer** stating when thereafter such cancellation shall be effective. The mailing of such notice shall be sufficient notice and the effective date of cancellation shall be the date the **Insurer** received such notice or any later date specified in the notice, and such effective date shall become the end of the **Policy Period**. Delivery of such written notice shall be equivalent to mailing.
- 2. This **Policy** may be cancelled by the **Insurer** only for nonpayment of premium, by mailing written notice to the **Parent Company** stating when such cancellation shall be effective, such date to be not less than ten (10) days from the date of the written notice. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice by the **Insurer** shall be equivalent to mailing. If the foregoing notice period is in conflict with any governing law or regulation, then the notice period shall be deemed to be the minimum notice period permitted under the governing law or regulation.
- 3. If this **Policy** is cancelled by the **Insurer**, the **Insurer** shall retain the pro rata proportion of the premium therefore. Payment or tender of any unearned premium by **Insurer** shall not be a condition precedent to the effectiveness of cancellation. If this **Policy** is cancelled by the **Parent Company**, the **Insurer** shall retain the customary short rate proportion of the premium.
- 4. In the event the **Company** refuses to renew this **Policy**, the **Company** shall mail to the **Parent Company**, not less than sixty (60) days prior to the end of the **Policy Period**, written notice of non-renewal. Such notice shall be binding on all **Insureds**.

#### M. WARRANTY AND SEVERABILITY

1. The **Insureds** represent and warrant that the particulars and statements contained in the **Application** are the basis of this **Policy** and are to be considered as incorporated into and constituting a part of this **Policy**. By acceptance of this **Policy**, the **Insureds** agree that the statements in the **Application** are their representations, that such representations shall be deemed material to the acceptance of the risk or the hazard assumed by **Insurer** under this **Policy**, and that this **Policy** is issued in reliance upon the truth of such representations.
2. An **Application** for coverage shall be construed as a separate **Application** for coverage by each **Insured Person**. With respect to the particulars and statements contained in the **Application**, no fact pertaining to or knowledge possessed by any **Insured** shall be imputed to any other **Individual Insured** for the purpose of determining if coverage is available. However, facts pertaining to and knowledge possessed by any individuals signing the **Application** and the President, Chairperson, and Officers shall be imputed to the **Parent Company** for the purpose of determining if coverage is available.

#### N. ASSISTANCE, COOPERATION AND SUBROGATION

The **Insureds** agree to provide **Insurer** with such information, assistance and cooperation as **Insurer** reasonably may request, and they further agree that they shall not take any action which in any way increases **Insurer's** exposure under this **Policy**. In the event of any payments under this **Policy**, **Insurer** shall be subrogated to the extent of such payment to all of the **Insureds'** rights of recovery against any natural person or entity. The **Insureds** shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights, including the execution of such documents as are necessary to enable **Insurer** effectively to bring suit or otherwise pursue subrogation in the name of the **Insureds**, and shall provide all other assistance and cooperation which **Insurer** may reasonably require.

#### O. ENTIRE AGREEMENT

By acceptance of this **Policy**, the **Insureds** agree that this **Policy** embodies all agreements existing between them and **Insurer** or any of their agents relating to this insurance. Notice to any agent or knowledge possessed by any agent or other person acting on behalf of **Insurer** shall not effect a waiver or a change in any part of this **Policy** or estop **Insurer** from asserting any right under the terms of this **Policy** or otherwise, nor shall the terms be deemed waived or changed except by written endorsement or rider issued by **Insurer** to form part of this **Policy**.

#### P. AUTHORIZATION CLAUSE AND NOTICES

1. By acceptance of this **Policy**, the **Parent Company** agrees to act on behalf of all **Insureds**, and the **Insureds** agree that the **Parent Company** will act on their behalf, with respect to the giving of all notices to **Insurer**, the receiving of notices from **Insurer**, the agreement to and acceptance of endorsements, the payment of the premium and the receipt of any return premium.
2. Notice to the **Parent Company** shall be directed to the natural person named in the **Application**, or such other natural person as shall be designated by the **Parent Company** in writing, at the address of the **Parent Company**. Such notice shall be deemed to be notice to all **Insureds**. The **Parent Company** shall be the agent of all **Insureds** to effect changes in the **Policy** or purchase an **Extended Reporting Period**.

#### Q. ACTION AGAINST INSURER, ALTERATION AND ASSIGNMENT

No action shall lie against **Insurer** unless, as a condition precedent thereto, there shall have been compliance with all of the terms of this **Policy**. No natural person or entity shall have any right under this **Policy** to join **Insurer** as a party to any action against the **Insureds** to determine their liability, nor shall **Insurer** be impleaded by the **Insureds** or their legal representative. No change in, modification of, or assignment of interest under this **Policy** shall be effective except when made by a written endorsement to this **Policy** which is signed by an authorized representative of the **Insurer**

## R. OTHER INSURANCE

This **Policy** shall be specifically excess of and will not contribute with any other insurance, including but not limited to any other insurance under which there is a duty to defend, unless such other insurance is specifically stated to be excess over the Limit of Liability of this **Policy**.

## S. CONFORMITY WITH STATUTE

Terms of this **Policy** which are in conflict with the statutes of the state in which this **Policy** is issued are amended to conform to such statutes.

## T. CHANGES IN EXPOSURE

1. In the event of a **Transaction**:
  - a) this **Policy** shall continue in full force and effect until the expiration date of the **Policy**, or the effective date of non-renewal, if applicable, with respect to **Wrongful Acts** occurring before the **Transaction**, but there shall be no coverage under this **Policy** for actual or alleged **Wrongful Acts** or **Employment Practices Wrongful Acts** occurring on and after the **Transaction**.
  - b) the **Parent Company** shall give the **Insurer** written notice of the **Transaction** as soon as practicable, but not later than thirty (30) days after the effective date of the **Transaction**.
  - c) the entire premium for this **Policy** shall be deemed fully earned on the **Transaction** date. In the event of a **Transaction**, the **Parent Company** shall have the right to an offer of coverage by the **Insurer** for an **Extended Reporting Period** to report **Wrongful Acts** occurring prior to the effective date of the **Transaction**.
2. If before or during the **Policy Period** an entity ceases to be a **Subsidiary**, coverage with respect to the **Subsidiary** and its natural person **Insureds** shall continue until termination of this **Policy**. Such coverage continuation shall apply only with respect to **Claims** for **Wrongful Acts** or **Employment Practices Wrongful Acts** taking place prior to the date such entity ceased to be a **Subsidiary**.

## U. ALLOCATION

If a **Claim** includes both **Loss** that is covered under this **Policy** and loss that is not covered under this **Policy**, either because the **Claim** is made against both **Insureds** and others, or the **Claim** includes both covered allegations and allegations that are not covered:

- a. **Insurer** will pay one hundred percent (100%) of **Costs, Charges and Expenses** for the **Claim** until such time that the Limits of Liability of this **Policy** are exhausted by payment of a covered **Loss** or the **Claim** for the covered **Loss** is resolved by settlement, verdict or summary judgment; and
- b. the **Insureds** and the **Insurer** shall allocate between covered **Loss** (except for **Costs, Charges and Expenses**) and loss that is not covered based upon the relative legal and

financial exposures and the relative benefits obtained by the parties. The **Insurer** shall not be liable under this **Policy** for the portion of such amount allocated to non-covered **Loss**.

#### V. TERRITORY

Coverage under this **Policy** shall extend to **Wrongful Acts** or **Employment Practices Wrongful Acts** taking place or **Claims** made anywhere in the world.

#### W. BANKRUPTCY

Bankruptcy or insolvency of any **Insured** or of the estate of any **Insured** shall not relieve the **Insurer** of its obligations nor deprive the **Insurer** of its rights or defenses under this **Policy**.

If a liquidation or reorganization proceeding is commenced by the **Parent Company** or any other **Company** (whether voluntary or involuntary) under Title 11 of the United States Code (as amended), or any similar state, local or foreign law (collectively, "**Bankruptcy Law**") then, in regard to a covered **Claim** under this **Policy**, the **Insureds** hereby waive and release any automatic stay or injunction ("**Stay**") to the extent such **Stay** may apply to the proceeds of this **Policy** under such **Bankruptcy Law**, and agree not to oppose or object to any efforts by the **Insurer** or any **Insured** to obtain relief from the **Stay** applicable to the proceeds of this **Policy** as a result of such **Bankruptcy Law**.

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Authorized Representative

## POLLUTION EXCLUSION AMENDED

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

It is agreed that Section D, Exclusions, subsection 4, is deleted in its entirety and the following is inserted:

4. any actual, alleged or threatened discharge, dispersal, release, escape, seepage, migration or disposal of **Pollutants** into or upon land, the atmosphere or any water course or body of water, whether or not such actual, alleged or threatened discharge, dispersal, release or escape is sudden, accidental or gradual in nature; or any direction, demand, order or request that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**, or any voluntary decision to do so;

For purposes of this exclusion:

**Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on, a list of hazardous substances issued by the United States Environmental Protection Agency or any federal, state, county, municipal or local counterpart thereof or any foreign equivalent. Such substances shall include, without limitation, solids, liquids, gaseous, biological, bacterial or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials (including materials to be reconditioned, recycled or reclaimed). **Pollutants** shall also mean any other air emission or particulate, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products, fungus, organic irritant or contaminant including mold, mildew or biogenic aerosol, and any mycotoxins, spores, scents or byproducts produced or released by fungi, and electric or magnetic or electromagnetic fields;

All other terms and conditions of this **Policy** remain unchanged.

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Authorized Representative



## **APPLICATION SUPPLEMENT STATE FRAUD WARNINGS**

### **NOTICE TO COMMERCIAL INSURANCE APPLICANTS**

**This Notice to Commercial Insurance Applicants – State Fraud Warnings provides you with information concerning various state fraud warnings and statements. Where fraud warnings are required as part of the insurance application, this notice forms a part of your application for Commercial Insurance. Please have this form signed by an authorized representative and returned with your application.**

**NOTICE TO ALABAMA APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON, OR ANY COMBINATION THEREOF.

**NOTICE TO ARKANSAS APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**NOTICE TO COLORADO APPLICANTS:** IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AUTHORITIES.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

**NOTICE TO FLORIDA APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

**NOTICE TO HAWAII APPLICANTS:** INTENTIONALLY OR KNOWINGLY MISREPRESENTING OR CONCEALING A MATERIAL FACT, OPINION OR INTENTION TO OBTAIN COVERAGE, BENEFITS, RECOVERY OR COMPENSATION WHEN PRESENTING AN APPLICATION FOR THE ISSUANCE OR RENEWAL OF AN INSURANCE POLICY OR WHEN PRESENTING A CLAIM FOR THE PAYMENT OF A LOSS IS A CRIMINAL OFFENSE PUNISHABLE BY FINES OR IMPRISONMENT, OR BOTH.

**NOTICE TO KANSAS APPLICANTS:** ANY PERSON WHO COMMITS A FRAUDULENT INSURANCE ACT IS GUILTY OF A CRIME AND MAY BE SUBJECT TO RESTITUTION, FINES AND CONFINEMENT IN PRISON. A FRAUDULENT INSURANCE ACT MEANS AN ACT COMMITTED BY ANY PERSON WHO, KNOWINGLY AND

WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARES WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER OR INSURANCE AGENT OR BROKER, ANY WRITTEN, ELECTRONIC, ELECTRONIC IMPULSE, FACSIMILE, MAGNETIC, ORAL, OR TELEPHONIC COMMUNICATION OR STATEMENT AS PART OF, OR IN SUPPORT OF, AN APPLICATION FOR INSURANCE, OR THE RATING OF AN INSURANCE POLICY, OR A CLAIM FOR PAYMENT OR OTHER BENEFIT UNDER AN INSURANCE POLICY, WHICH SUCH PERSON KNOWS TO CONTAIN MATERIALLY FALSE INFORMATION CONCERNING ANY MATERIAL FACT THERETO; OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO

**NOTICE TO KENTUCKY APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

**NOTICE TO LOUISIANA APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON, OR A DENIAL OF INSURANCE BENEFITS.

**NOTICE TO MAINE APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

**NOTICE TO MARYLAND APPLICANTS:** ANY PERSON WHO KNOWINGLY OR WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY OR WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**NOTICE TO NEW JERSEY APPLICANTS:** ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO NEW MEXICO APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

**NOTICE TO NEW YORK APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH VIOLATION.

**ADDITIONAL NOTICE TO NEW YORK COMMERCIAL AUTO APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, AND ANY PERSON WHO, IN CONNECTION WITH SUCH APPLICATION OR CLAIM, WHO KNOWINGLY MAKES OR KNOWINGLY ASSISTS, ABETS, SOLICITS OR CONSPIRES WITH ANOTHER TO MAKE A FALSE REPORT OF THEFT, DESTRUCTION, DAMAGE OR CONVERSION OF ANY MOTOR VEHICLE TO A LAW ENFORCEMENT AGENCY THE DEPARTMENT OF MOTOR VEHICLES OR AN INSURANCE COMPANY COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE VALUE OF THE SUBJECT MOTOR VEHICLE OR STATED CLAIM FOR EACH VIOLATION.

**NOTICE TO OHIO APPLICANTS:** ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

**NOTICE TO OKLAHOMA APPLICANTS:** WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

**NOTICE TO OREGON APPLICANTS:** ANY PERSON WITH THE INTENT TO KNOWINGLY DEFRAUD MAKES ANY MISSTATEMENTS, MISREPRESENTATIONS, OMISSIONS OR CONCEALMENTS CONCERNING A MATERIAL FACT TO AN INSURANCE COMPANY OR OTHER PERSON IN CONNECTION WITH AN APPLICATION FOR INSURANCE MAY BE GUILTY OF INSURANCE FRAUD AND SUBJECT TO PROSECUTION.

**NOTICE TO PENNSYLVANIA APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

**ADDITIONAL NOTICE TO PENNSYLVANIA COMMERCIAL AUTO APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURER FILES AN APPLICATION OR CLAIM CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION SHALL, UPON CONVICTION, BE SUBJECT TO IMPRISONMENT FOR UP TO SEVEN YEARS AND PAYMENT OF A FINE OF UP TO \$15,000.

**NOTICE TO RHODE ISLAND APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**NOTICE TO TENNESSEE APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

**NOTICE TO VERMONT APPLICANTS:**

ANY PERSON WHO KNOWINGLY PRESENTS A FALSE STATEMENT IN AN APPLICATION FOR INSURANCE MAY BE GUILTY OF A CRIMINAL OFFENSE AND SUBJECT TO PENALTIES UNDER STATE LAW.

**NOTICE TO VIRGINIA APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

**NOTICE TO WASHINGTON APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

**NOTICE TO WEST VIRGINIA APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**NOTICE TO APPLICANTS IN STATES NOT LISTED ABOVE:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

**NAMED INSURED:**  
**POLICY       /       QUOTE**  
**NUMBER:**

<b>APPLICANT SIGNATURE</b> <b>(Authorized</b> <b>representative):</b>	
<b>APPLICANT TITLE:</b>	
<b>DATE SIGNED:</b>	

Chubb. Insured.<sup>SM</sup>

## AMENDATORY ENDORSEMENT – IDAHO

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

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:**

### **COMMUNITY ASSOCIATION DIRECTORS & OFFICERS AND EMPLOYMENT PRACTICES LIABILITY POLICY**

IF THERE IS ANY CONFLICT BETWEEN THE **POLICY**, OTHER ENDORSEMENTS TO THE **POLICY** AND THIS ENDORSEMENT, THE TERMS PROVIDING THE BROADEST COVERAGE INSURABLE UNDER APPLICABLE LAW SHALL PREVAIL.

It is agreed that:

1. Section **L. CANCELLATION AND NON-RENEWAL** is amended as follows:

- a. Paragraph 2 is deleted in its entirety and replaced by the following:
  2. This **Policy** may be cancelled by the **Insurer** only for nonpayment of premium, by mailing written notice to the **Parent Company** stating when such cancellation shall be effective, such date to be not less than ten (10) days from the date of the written notice. The ten (10) day notification period shall begin to run five (5) days following the date of postmark. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice by the **Insurer** shall be equivalent to mailing. If the foregoing notice period is in conflict with any governing law or regulation, then the notice period shall be deemed to be the minimum notice period permitted under the governing law or regulation.
- b. Paragraph 4 is deleted in its entirety and replaced by the following:
  4. If the **Insurer** elects not to renew this **Policy**, the **Insurer** will mail to the **Parent Company** at the last mailing address known to the **Insurer**, written notice of nonrenewal at least sixty (60) days before the end of the **Policy Period**. Proof of mailing will be sufficient proof of notice. Notice of nonrenewal is not required if:
    - a) the **Insurer**, or a company within the same insurance group, has offered to issue a renewal **Policy**;
    - b) where the **Parent Company** has obtained replacement coverage or has agreed in writing to obtain replacement coverage; or
    - c) the **Insurer** provides the notice described in subsection A above and thereafter the **Insurer** extended the **Policy** for ninety (90) days or less.
- c. The following is added:
  5. Notices of cancellation from the **Insurer** will state the effective date of cancellation, and will be mailed by certified mail to the **Parent Company**, and by first-class mail to the agent or broker of record, at the last mailing address known to the **Insurer**. Proof of mailing will be sufficient proof of notice.

2. Section **M. WARRANTY AND SEVERABILITY** is deleted in its entirety and the following is inserted:

**M. REPRESENTATIONS AND SEVERABILITY**

1. The **Insureds** represent that the particulars and statements contained in the **Application** are the basis of this **Policy** and are to be considered as incorporated into and constituting a part of this **Policy**. By acceptance of this **Policy**, the **Insureds** agree that the statements in the **Application** are their representations, that such representations shall be deemed material to the acceptance of the risk or the hazard assumed by **Insurer** under this **Policy**, and that this **Policy** is issued in reliance upon the truth of such representations.
2. An **Application** for coverage shall be construed as a separate **Application** for coverage by each **Insured Person**. With respect to the particulars and statements contained in the **Application**, no fact pertaining to or knowledge possessed by any **Insured** shall be imputed to any other **Individual Insured** for the purpose of determining if coverage is available. However, facts pertaining to and knowledge possessed by any individuals signing the **Application** and the President, Chairperson, and Officers shall be imputed to the **Parent Company** for the purpose of determining if coverage is available.

All other terms and conditions of this **Policy** remain unchanged.



A Chubb Company

## **Chubb Producer Compensation Practices & Policies**

Westchester believes that policyholders should have access to information about Westchester's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.chubbproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.

ALL-20887 (10/06)

**WAGE AND HOUR – COSTS, CHARGES AND EXPENSES  
SUBLIMIT COVERAGE ONLY WITH SEPARATE RETENTION**

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

**This endorsement modifies insurance provided under the following  
COMMUNITY ASSOCIATION DIRECTORS & OFFICERS AND EMPLOYMENT PRACTICES  
LIABILITY POLICY®**

It is agreed that the **Policy** is amended as follows:

1. The item of the Declarations entitled “Retention”, is deleted in its entirety and the following is inserted:

- Retention:

\$0 each **Claim** not alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving a **Wage and Hour Claim** (“**Non-Wage and Hour Claim Retention**”)

\$0 each **Claim** alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving, in whole or in part, a **Wage and Hour Claim**. (“**Wage & Hour Claim Retention**”) Provided, however, in the event the **Non-Wage and Hour Claim Retention** is greater than the **Wage & Hour Claim Retention**, the retention applicable to any **Claim** alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving, in whole or in part, a **Wage and Hour Claim** shall be equal to the **Non-Wage and Hour Claim Retention**.

2. Section A, INSURING AGREEMENT WITH FULL PRIOR ACTS COVERAGE, is amended to add the following:

The **Insurer** shall pay the **Costs, Charges and Expenses** of the **Insureds** which the **Insureds** have become legally obligated to pay by reason of a **Wage and Hour Claim** first made against the **Insureds** during the **Policy Period** or, if elected, the **Extended Period**, and reported to the **Insurer** pursuant to the terms and conditions of this **Policy**, for any **Employment Practices Wrongful Act** taking place prior to the end of the **Policy Period**. The maximum limit of the **Insurer’s** liability for all **Costs, Charges and Expenses** in the aggregate arising from all such **Wage and Hour Claims** shall be \$25,000 (“**Wage and Hour Claim Sub-Limit of Liability**”). The **Wage and Hour Claim Sub-Limit of Liability** shall be part of and not in addition to the applicable aggregate Limit of Liability stated in the Declarations, and will in no way serve to increase such Limit of Liability.

This **Policy** shall not afford any coverage for **Loss** arising out of any **Wage and Hour Claim**, or attributable solely to any actual or alleged violation of any **Wage and Hour Law(s)**, other than **Costs, Charges and Expenses**.

Section C, DEFINITIONS, subsection 9, **Employment Practices Wrongful Act**, is amended to add the following:

Solely with respect to a **Wage and Hour Claim**, **Employment Practices Wrongful Act** also means (i) violation of any **Wage and Hour Law**; or (ii) improper payroll deductions, failure to pay wages, misclassification of exempt or non-exempt employee status, failure to pay compensation earned by or due to the claimant (including but not limited to commission, vacation and sick days, retirement benefits, and severance pay), failure to pay overtime pay for hours actually worked or labor actually performed, or any violation of any law, rule or regulation, or amendments thereto (whether statutory or common law, or otherwise), that governs the same topic or subject.

3. The last sentence of Section D, EXCLUSIONS, subsection 15, is deleted in its entirety and the following is inserted:

Provided, however, this exclusion does not apply to:

1. any back-pay or front-pay allegedly due as the result of discrimination, or
2. that part of any such **Claim** alleging **Retaliation**, or,
3. **Costs, Charges and Expenses** arising from a **Wage and Hour Claim**, subject to the **Wage and Hour Claim Sub-Limit of Liability**, except for: (i) any **Claim** alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving any violation of any California or Florida state or local **Wage and Hour Law**; or (ii) any **Claim** which is brought or made in California or Florida alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving any violation of any **Wage and Hour Law**.

4. Section C, DEFINITIONS, is amended to add the following:

- **Wage and Hour Claim** means any **Claim** alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving: (i) any violation of any **Wage and Hour Law**; and/or (ii) improper payroll deductions, unpaid wages, misclassification of exempt or non-exempt employee status, compensation earned by or due to the claimant but not paid (including but not limited to commission, vacation and sick days, retirement benefits, and severance pay), overtime pay for hours actually worked or labor actually performed, or any violation of any law, rule or regulation, or amendments thereto (whether statutory or common law, or otherwise), that governs the same topic or subject.
- **Wage and Hour Law** means: (i) the Fair Labor Standards Act (except the Equal Pay Act), as amended, or any rules or regulations promulgated thereunder, or similar provisions of any common or statutory federal, state, local or foreign law, or amendments thereto; and/or (ii) any law, rule or regulation, or amendments thereto (whether statutory or common law, or otherwise) governing or relating to: (a) the payment of wages, including payment of unpaid salary, hourly pay, on-call time and overtime pay; and/or (b) the classification of employees for purposes of determining employees' eligibility for compensation under such law, rules or regulations.

5. Solely with respect to a **Wage and Hour Claim**, Section I, SETTLEMENT AND DEFENSE, subsection 1 is deleted in its entirety and the following is inserted:

1. It shall be the duty of the **Insureds** and not the duty of the **Insurer** to defend any **Claim**.

Solely with respect to a **Wage and Hour Claim**, Section U, ALLOCATION, is deleted in its entirety and the following is inserted:

If a **Claim** includes both **Loss** that is covered under this **Policy** and loss that is not covered under this **Policy**, either because the **Claim** is made against both **Insureds** and others, or the **Claim** includes both covered allegations and allegations that are not covered, the **Insureds** and the **Insurer** shall allocate such amount between covered **Loss** and loss that is not covered based upon the relative legal and financial exposures and the relative benefits obtained by the parties. The **Insurer** shall not be liable under this **Policy** for the portion of such amount allocated to non-covered **Loss**.

All other terms and conditions of this **Policy** remain unchanged.

**INSURED VERSUS INSURED DELETED**

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

**This endorsement modifies insurance provided under the following:  
COMMUNITY ASSOCIATION DIRECTORS & OFFICERS AND EMPLOYMENT PRACTICES LIABILITY  
POLICY**

It is agreed that in Section D, EXCLUSIONS, subsection 8 is deleted in its entirety.

All other terms and conditions of this **Policy** remain unchanged.

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

Named Insured <b>Airport Business and Storage Association Inc</b>			Endorsement Number <b>PF453540115</b>
Policy Symbol <b>ADO</b>	Policy Number <b>ADOIDF160521272-004</b>	Policy Period <b>01-29-2024 to 01-29-2025</b>	Effective Date of Endorsement <b>01-29-2024</b>
Issued By (Name of Insurance Company) <b>ACE Fire Underwriters Insurance Company</b>			

**Cap On Losses From Certified Acts Of Terrorism**

- A. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

“Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a “certified act of terrorism” include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- B. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any “loss” that is otherwise excluded under this Policy.

All other terms and conditions of this Policy remain unchanged.

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Authorized Representative

## TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

Named Insured <b>Airport Business and Storage Association Inc</b>			Endorsement Number <b>PF464220715</b>
Policy Symbol <b>ADO</b>	Policy Number <b>ADOIDF160521272-004</b>	Policy Period <b>01-29-2024 To 01-29-2025</b>	Effective Date of Endorsement <b>01-29-2024</b>
Issued By (Name of Insurance Company) <b>ACE Fire Underwriters Insurance Company</b>			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

This insurance does not apply to the extent that trade or economic sanctions or similar laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of policy remain unchanged.

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Authorized Agent

## **DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT**

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

### **Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in this endorsement or in the policy Declarations.

### **Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals; 80% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

### **Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

COVERAGE OF "ACTS OF TERRORISM" AS DEFINED BY THE REAUTHORIZATION ACT WILL BE PROVIDED FOR THE PERIOD FROM THE EFFECTIVE DATE OF YOUR NEW OR RENEWAL POLICY THROUGH THE EARLIER OF THE POLICY EXPIRATION DATE OR DECEMBER 31, 2027. EFFECTIVE DECEMBER 31, 2027 THE TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT EXPIRES.

Terrorism Risk Insurance Act premium: \$0.

# Westchester

A Chubb Company

Employers today face a dizzying array of employment laws, regulations and ongoing employment issues. Whether it involves employee discipline or termination, wage and hour, disability accommodation, or even the new frontier of social media, failure to comply with the ever-changing legal requirements can have a devastating impact on employee morale and the company's bottom line. Westchester recognizes the unique burdens faced by employers today, and is pleased to announce that it has partnered with the nation's foremost employment and labor law firm, Littler Mendelson (Littler), to create a cutting edge employment practices risk management tool for Westchester insureds, called EPL Assist™. With over 975 attorneys in 56 offices, Littler has both the expertise and the capacity to handle any employment matter, big or small. Through EPL Assist™, insureds have an unlimited ability to seek out expert advice and counsel as a benefit of the program.

## What is EPL Assist™?

EPL Assist™ is a cutting edge risk management program providing policyholders with a wide variety of legal content, forms and analysis, combined with the ability to interface directly with Littler lawyers dedicated to assisting Westchester insureds in navigating what has become an employment law minefield. Through a secure web portal containing essential employment law resources and tools, as well as a toll free hotline service, Westchester insureds with primary EPL coverage policies now have access to the content and advice necessary to compete in today's challenging legal environment.

## Insureds are provided:

- No cost, online and live access to the legal experts at Littler, the largest employment and labor firm in the U.S.
- Employment law updates, newsletters and related publications
- A compendium of online employment law resources through a secure website, including unlimited access to such content as:
  - Employment policies and practices
  - Human Resources forms library
  - Sample employee handbooks, including supplement information for all 50 states
  - State and national employment law summaries and reference materials
  - 50 state surveys on various employment law essentials, including such things as minimum wage and overtime requirements, protected classifications, new hire reporting requirements, meal and rest break requirements, and voting rights requirements
- Free harassment training webinars for up to 10 supervisors or managers
- Complimentary registration to Littler's nationwide breakfast briefing series
- Complimentary access to Littler's webinars and podcasts
- Discounted rates for various Littler events

## How do I access EPL Assist™?

Policyholders can simply visit [www.EPLAssist.com](http://www.EPLAssist.com) to register or take a tour. Should you have a question on an employment situation please call 1-888-244-3844 or visit [www.EPLAssist.com](http://www.EPLAssist.com).

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# **U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.



## SIGNATURES

Named Insured Airport Business and Storage Association Inc			Endorsement Number Cc1k11k0422
Policy Symbol ADO	Policy Number ADOIDF160521272-004	Policy Period 01-29-2024 <b>to</b> 01-29-2025	Effective Date of Endorsement 01-29-2024
Issued By (Name of Insurance Company) ACE Fire Underwriters Insurance Company			

THE ONLY COMPANY APPLICABLE TO THIS POLICY IS THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract.

**INDEMNITY INSURANCE COMPANY OF NORTH AMERICA** (A stock company)  
**BANKERS STANDARD INSURANCE COMPANY** (A stock company)  
**ACE AMERICAN INSURANCE COMPANY** (A stock company)  
**ACE PROPERTY AND CASUALTY INSURANCE COMPANY** (A stock company)  
**INSURANCE COMPANY OF NORTH AMERICA** (A stock company)  
**PACIFIC EMPLOYERS INSURANCE COMPANY** (A stock company)  
**ACE FIRE UNDERWRITERS INSURANCE COMPANY** (A stock company)  
**WESTCHESTER FIRE INSURANCE COMPANY** (A stock company)

436 Walnut Street, P.O. Box 1000, Philadelphia, Pennsylvania 19106-3703

BRANDON PEENE, Secretary

JOHN J. LUPICA, President

Authorized Representative



ITEM 5	CRIME		
	Insuring Agreement	Single Loss Limit of Insurance	Single Loss Retention
	<b>A. Fidelity</b> 1. Employee Theft 2. ERISA Fidelity 3. Employee Theft of Client Property	\$25,000 Not Covered Not Covered	\$500
	<b>B. Forgery or Alteration</b>	\$25,000	\$500
	<b>C. On Premises</b>	Not Covered	
	<b>D. In Transit</b>	Not Covered	
	<b>E. Money Orders and Counterfeit Money</b>	Not Covered	
	<b>F. Computer Crime</b> 1. Computer Fraud 2. Computer Program and Electronic Data Restoration Expense	\$25,000 Not Covered	\$500
	<b>G. Funds Transfer Fraud</b>	\$25,000	\$500
	<b>H. Personal Accounts Protection</b> 1. Personal Accounts Forgery or Alteration 2. Identity Fraud Expense Reimbursement	Not Covered Not Covered	
	<b>I. Claim Expense</b>	\$5,000	\$0

<b>ITEM 5. (Cont'd)</b>	<p>If “<i>Not Covered</i>” is inserted above opposite any specified Insuring Agreement, or if no amount is included in the Limit of Insurance, such Insuring Agreement and any other reference thereto is deemed to be deleted from this <b>Crime Policy</b>.</p> <p><b>Policy Aggregate Limit of Insurance:</b>    <input type="checkbox"/> Applicable                      <input checked="" type="checkbox"/> Not Applicable</p> <p>If a Policy Aggregate Limit of Insurance is applicable, then the Policy Aggregate Limit of Insurance for each <b>Policy Period</b> for Insuring Agreements A through H, inclusive, is:                      <b>Not Applicable</b></p> <p>If a Policy Aggregate Limit of Insurance is not included, then this <b>Crime Policy</b> is not subject to a Policy Aggregate Limit of Insurance as set forth in Section V. CONDITIONS B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT 1. <u>Limit of Insurance</u> a. <u>Policy Aggregate Limit of Insurance</u>.</p> <p><b>Cancellation of Prior Insurance:</b> By acceptance of this <b>Crime Policy</b>, the <b>Insured</b> gives the Company notice canceling prior policies or bonds issued by the Company that are designated by policy or bond numbers <b>Not Applicable</b>, such cancellation to be effective at the time this <b>Crime Policy</b> becomes effective.</p> <p><b>INSURED’S PREMISES COVERED:</b></p> <p>All Premises of the Insured in the United States of America, its territories and possessions, Canada, or any other country throughout the world, except: <b>Not Applicable</b></p>
<b>ITEM 6</b>	<p><b>PREMIUM FOR THE POLICY PERIOD:</b></p> <p><b>\$1,050.00</b>                                      Policy Premium</p> <p><b>\$350.00</b>                                      Annual Installment Premium</p>
<b>ITEM 7</b>	<p><b>FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE:</b>  <b>ACF-7006-0511; CRI-3001-0109; CRI-19060-0713; CRI-19072-0315; CRI-19101-1117;  CRI-19085-0919; CRI-19122-1120; CRI-7132-1120; CRI-7023-0109; CRI-5013-0613</b></p>

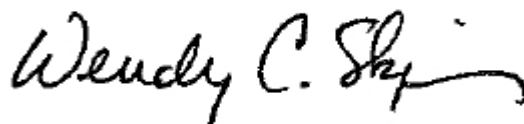
THE DECLARATIONS, THE APPLICATION, THE CRIME TERMS AND CONDITIONS, ANY PURCHASED INSURING AGREEMENTS, AND ANY ENDORSEMENTS ATTACHED THERETO, CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE COMPANY AND THE NAMED INSURED.

\_\_\_\_\_  
Countersigned By

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its authorized officers.

Handwritten signature of J. P. KKH in black ink.

President

Handwritten signature of Wendy C. Shy in black ink.

Corporate Secretary

**REMOVAL OF SHORT-RATE CANCELLATION ENDORSEMENT**

This endorsement changes the following:

**Crime**

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**It is agreed that:**

In any cancellation, termination or non-renewal provision, any reference to computing a premium on a short rate basis is replaced with a reference to computing such premium on a pro-rata basis.

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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **107365949**

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ACF-7006 Ed. 05-11

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## **CRIME TERMS AND CONDITIONS**

**PLEASE READ ALL TERMS AND CONDITIONS CAREFULLY**

### **CONSIDERATION CLAUSE**

**IN CONSIDERATION** of the payment of the premium stated in the Declarations, and subject to the Declarations and pursuant to all the terms, conditions, exclusions and limitations of this **Crime Policy**, the Company will pay the **Insured** for direct loss that the **Insured** sustains which is directly caused by a **Single Loss** taking place at any time and which is **Discovered** by the **Insured** during the **Policy Period** or during the Extended Period to Discover Loss pursuant to the terms set forth in Section V. CONDITIONS A. GENERAL CONDITIONS 3. Extended Period to Discover Loss.

### **I. INSURING AGREEMENTS**

This **Crime Policy** provides coverage under each of the following Insuring Agreements. Notwithstanding the aforesaid, if ITEM 5 of the Declarations indicates that any Insuring Agreement is “*Not Covered*,” then such Insuring Agreement and any other reference thereto is deemed to be deleted from this **Crime Policy**.

#### **A. FIDELITY**

##### **1. Employee Theft**

The Company will pay the **Insured** for the **Insured's** direct loss of, or direct loss from damage to, **Money, Securities and Other Property** directly caused by **Theft or Forgery** committed by an **Employee**, whether identified or not, acting alone or in collusion with other persons.

##### **2. ERISA Fidelity**

The Company will pay the **Insured** for direct loss of, or direct loss from damage to, **Money, Securities and Other Property** that belongs to an **Employee Benefit Plan**, directly caused by **Theft or Forgery** committed by a **Fiduciary**, whether identified or not, acting alone or in collusion with other persons.

##### **3. Employee Theft of Client Property**

The Company will pay the **Insured** for direct loss of, or direct loss from damage to, **Money, Securities and Other Property** sustained by the **Insured's Client**, directly caused by **Theft or Forgery** committed by an identified **Employee**.

#### **B. FORGERY OR ALTERATION**

The Company will:

1. pay the **Insured** for the **Insured's** direct loss directly caused by **Forgery** or alteration of, on or in any written **Covered Instruments** that are:

- a. made by, drawn by, or drawn upon, the **Insured**, or purport to have been so made or drawn; or
  - b. made or drawn by one acting as the **Insured's** agent, or purport to have been so made or drawn; and
2. reimburse the **Insured** for reasonable legal defense expenses that the **Insured** has paid if the **Insured** is sued for refusing to pay any written **Covered Instrument** under this Insuring Agreement B. on the basis that it has been **Forged** or altered. Reimbursement of such legal expenses is conditioned upon the **Insured's** receipt of the Company's prior written consent to defend against such suit. The amount of any legal expenses reimbursed under Insuring Agreement B. is in addition to the applicable Single Loss Limit of Insurance for Insuring Agreement B.

A signature that is a mechanical or electronic reproduction of a handwritten signature produced by a mechanical check-writing machine or a computer printer is treated the same as a handwritten signature. An **Electronic Signature** is not treated the same as a mechanical or electronic reproduction of a handwritten signature and is not a **Forgery** under this Insuring Agreement B.

For purposes of this Insuring Agreement B., the term "check" includes a "substitute check" as defined in the Check Clearing for the 21<sup>st</sup> Century Act, and will be treated the same as the original it replaced.

#### C. ON PREMISES

The Company will pay the **Insured** for:

1. the **Insured's** direct loss of **Money** or **Securities** located inside the **Premises** or **Financial Institution Premises** directly caused by **Theft**, committed by a person present inside such **Premises** or **Financial Institution Premises**;
2. the **Insured's** direct loss of **Money** or **Securities** located inside the **Premises** or **Financial Institution Premises** directly caused by disappearance, damage or destruction;
3. the **Insured's** direct loss of, or direct loss from damage to, **Other Property** located inside the **Premises**:
  - a. directly caused by an actual or attempted **Robbery**; or
  - b. in a safe or vault, directly caused by an actual or attempted **Safe Burglary**; and
4. the **Insured's** direct loss from damage to the **Premises** or its exterior 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; or
5. the **Insured's** direct loss of, or loss from 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, Robbery** or **Safe Burglary**, if the **Insured** is the owner of the locked safe, vault, cash register, cash box or cash drawer or is liable for damage thereto.

#### D. IN TRANSIT

1. The Company will pay the **Insured** for the **Insured's** direct loss of **Money** or **Securities** directly caused by **Theft**, disappearance, damage or destruction while in transit outside the **Premises** and in the care and custody of:

- a. **a Messenger**, including while temporarily within the living quarters of a **Messenger**; or
  - b. an armored motor vehicle company.
2. The Company will pay the **Insured** for the **Insured's** direct loss of, or the **Insured's** direct loss from damage to, the **Insured's Other Property** directly caused by an actual or attempted **Robbery** while in transit outside the **Premises** and in the care and custody of:
  - a. **a Messenger**; or
  - b. an armored motor vehicle company.
3. The Company will pay the **Insured** for the **Insured's** direct loss of, or direct loss from damage to, the **Insured's Other Property** directly caused by an actual or attempted **Theft** of the **Insured's Other Property** while it is temporarily within the living quarters of a **Messenger**.

Coverage under this Insuring Agreement D. begins immediately upon receipt of the **Money, Securities** or **Other Property** by the transporting party and ends immediately upon delivery to the designated recipient or its agent.

#### **E. MONEY ORDERS AND COUNTERFEIT MONEY**

The Company will pay the **Insured** for the **Insured's** direct loss directly caused by the **Insured's** good faith acceptance of:

1. original money orders, issued or purportedly issued by any post office, express company or bank located in the United States of America, its territories and possessions, Canada, or any other country in which the **Insured** maintains a physical **Premises**, that are not paid upon presentation; or
2. **Counterfeit Money**, of the United States of America, its territories and possessions, Canada, or any other country in which the **Insured** maintains a physical **Premises** that is acquired during the regular course of business;

in exchange for merchandise, **Money** or services.

#### **F. COMPUTER CRIME**

1. Computer Fraud

The Company will pay the **Insured** for the **Insured's** direct loss of, or direct loss from damage to, **Money, Securities** and **Other Property** directly caused by **Computer Fraud**.

2. Computer Program and Electronic Data Restoration Expense

The Company will pay the **Insured** for reasonable **Restoration Expense** that the **Insured** incurs to restore or replace damaged or destroyed **Computer Programs** or **Electronic Data** stored within the **Insured's Computer System** directly caused by a **Computer Violation**.

For purposes of this Insuring Agreement F.2., a **Single Loss** involving **Computer Program** and **Electronic Data Restoration Expense** applies to reasonable **Restoration Expense** incurred by the **Insured** between the time the **Insured Discovers** the damage or destruction and the time the

**Insured's Computer Program or Electronic Data** is restored to the level of operational capability that existed immediately preceding a **Computer Violation**. Recurrence of the same **Computer Virus** after the **Insured's Computer Program or Electronic Data** has been restored constitutes a separate **Single Loss**.

Payment of reasonable **Restoration Expense** applies:

- a. only to **Computer Programs** and **Electronic Data** which the **Insured** owns or leases, or for which the **Insured** is legally liable; and
- b. only if the **Insured** is unable to reproduce such **Computer Programs** or **Electronic Data** from back-up data copies.

Payment of reasonable **Restoration Expense** will be made to the **Insured** upon the completion of the restoration of the damaged or destroyed **Computer Programs** or **Electronic Data**.

If a **Single Loss** is covered under both Insuring Agreements F.1. and F.2., then only the Retention for a **Single Loss** under Insuring Agreement F.1. will be applicable and the payment of **Restoration Expense** under Insuring Agreement F.2. will be part of, and not in addition to, the Single Loss Limit of Insurance for Insuring Agreement F.1.

#### **G. FUNDS TRANSFER FRAUD**

The Company will pay the **Insured** for the **Insured's** direct loss of **Money** and **Securities** contained in the **Insured's Transfer Account** directly caused by **Funds Transfer Fraud**.

#### **H. PERSONAL ACCOUNTS PROTECTION**

##### **1. Personal Accounts Forgery or Alteration**

The Company will pay the **Insured**, on behalf of the **Insured's Management Staff Member**, for loss incurred by the **Insured's Management Staff Member**, directly caused by **Forgery** or alteration of, on or in any written **Covered Personal Instruments** that are:

- a. drawn upon personal accounts of the **Insured's Management Staff Member**, or purported to have been so drawn; or
- b. made or drawn by one acting as an agent of the **Insured's Management Staff Member**, or purport to have been so made or drawn.

A signature that is a mechanical or electronic reproduction of a handwritten signature produced by a mechanical check-writing machine or a computer printer will be treated the same as a handwritten signature. An **Electronic Signature** is not treated the same as a mechanical or electronic reproduction of a handwritten signature and is not a **Forgery** under this Insuring Agreement H.

For purposes of this Insuring Agreement H.1. the term "check" includes a substitute check as defined in the Check Clearing for the 21<sup>st</sup> Century Act, and will be treated the same as the original it replaced.

##### **2. Identity Fraud Expense Reimbursement**

The Company will reimburse the **Insured**, on behalf of the **Insured's Management Staff Member**, for **Identity Fraud Expense** incurred by the **Insured's Management Staff Member** as a direct result of any **Identity Fraud**.

## I. CLAIM EXPENSE

The Company will pay the **Insured** for reasonable **Claim Expenses** incurred and paid by the **Insured** to establish the existence, amount and preparation of the **Insured's** proof of loss in support of a covered claim for loss under any Insuring Agreement of this **Crime Policy**.

The following conditions specifically apply to this Insuring Agreement I.:

1. any **Claim Expenses** payable to the **Insured** are only applicable to any covered loss which exceeds the Single Loss Retention for the Insuring Agreement that is the subject of a claim under this **Crime Policy**;
2. **Claim Expenses** that are payable to the **Insured** are in addition to the Single Loss Limit of Insurance for the Insuring Agreement that is the subject of a claim under this **Crime Policy**; and
3. **Claim Expenses** payable to the **Insured** will be paid to the **Insured** at the same time as the payment of the valid and collectible loss under the Insuring Agreement that is the subject of a claim under this **Crime Policy**.

## II. GENERAL AGREEMENTS

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### A. JOINT INSURED

1. If the **Insured** consists of more than one entity, then the **First Named Insured** acts for itself and for every other **Insured** for all purposes of this **Crime Policy**.
2. If any **Insured**, or a partner or **Management Staff Member** of that **Insured**, has knowledge of any information relevant to this **Crime Policy**, that knowledge is considered knowledge of every **Insured**.
3. An **Employee** of any **Insured** is considered to be an **Employee** of every **Insured**.
4. The Company will not pay the **Insured** more for loss or losses sustained by more than one **Insured** than the amount the Company would pay if all loss or losses had been sustained by one **Insured**.
5. Payment by the Company to the **First Named Insured** for loss sustained by any **Insured**, or payment by the Company to the **Employee Benefit Plan** for loss sustained under Insuring Agreement A.2, fully releases the Company on account of such loss.
6. If this **Crime Policy** or any of its Insuring Agreements are canceled or terminated as to any **Insured**, loss sustained by that **Insured** is covered only if **Discovered** by the **Insured** during the period of time provided in the Extended Period To Discover Loss pursuant to the terms set forth in Section V. CONDITIONS A. GENERAL CONDITIONS 3. Extended Period to Discover Loss; provided, 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 the insurance afforded by this **Crime Policy**, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

### B. ADDITIONAL OFFICES

If the **Insured** establishes any additional offices, other than by consolidation with, merger with, purchase of, or acquisition of assets or liabilities of another organization while this **Crime Policy** is in effect, such offices are automatically covered by this **Crime Policy** from the date of such establishment without the requirement of notice to the Company or the payment of additional premium for the remainder of the **Policy Period**.

### C. CONSOLIDATION, MERGER OR PURCHASE OF ASSETS

If, during the **Policy Period**, the **Insured** merges with, purchases or acquires the assets or liabilities of another entity, this **Crime Policy** will provide coverage for that merged, purchased, or acquired entity, subject to all other terms and conditions herein, but only for loss **Discovered** by the **Insured** after the effective date of such merger, purchase, or acquisition; provided, the **Insured** gives the Company written notice of such merger, purchase, or acquisition, and specific application has been submitted on the Company's form in use at the time, together with such documentation and information as the Company may require, all within 90 days after the effective date of such merger, purchase, or acquisition. Coverage for the merged, purchased, or acquired entity will not be afforded following such 90-day period unless the Company has agreed to provide such coverage, subject to any additional terms and conditions as the Company may require, and the **Insured** has paid the Company any additional premium as may be required by the Company. Any **Employee Benefit Plan** or **Sponsored Plan** acquired as above will be included as **Insureds** as specified in Item 1 of the Declarations.

The 90-day notice requirement and the 90-day limitation of coverage will not apply, provided: (1) the assets of the merged, purchased, or acquired entity do not exceed 30% of the total assets of all **Insureds** as reflected in the **Insured's** most recent fiscal year-end financial statement, or (2) the merger, purchase, or acquisition occurs less than 90 days prior to the end of the **Policy Period**.

### D. ACQUISITIONS

If, during the **Policy Period**, the **Insured** acquires a **Subsidiary**, this **Crime Policy** will provide coverage for such **Subsidiary** and its respective **Management Staff Members**, **Employee Benefit Plans**, and **Sponsored Plans**, subject to all other terms and conditions of this **Crime Policy**, provided written notice of such acquisition has been given to the Company, and specific application has been submitted on the Company's form in use at the time, together with such documentation and information as the Company may require, all within 90 days after the effective date of such acquisition. Coverage for such **Subsidiary** will not be afforded following such 90-day period unless the Company has agreed to provide such coverage, subject to any additional terms and conditions as the Company may require, and the **Insured** has paid the Company any additional premium as may be required by the Company.

The 90-day notice requirement and the 90-day limitation of coverage will not apply provided that: (1) the assets of the acquired **Subsidiary** do not exceed 30% of the **Insured's** total assets as reflected in the **Insured's** most recent fiscal year-end financial statement; or (2) the acquisition occurs less than 90 days prior to the end of the **Policy Period**.

### E. CHANGE OF CONTROL – NOTICE REQUIREMENTS

When the **Insured** learns that a **Change of Control** has taken place as to any **Insured**, or will take place during the **Policy Period**, the **Insured** must give the Company written notice within 90 days of the effective date of such **Change of Control**.

## III. DEFINITIONS

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Wherever appearing in this **Crime Policy**, the following words and phrases appearing in bold type have the meanings set forth in this Section III. DEFINITIONS:

#### A. **Change of Control** means:

1. the acquisition of any **Insured**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of any **Insured** into or with another entity such that the **Insured** is not the surviving entity; or
2. the obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate more than 50% of the board of directors or board of managers or to exercise a majority control of the board of directors, board of managers, or a functional equivalent thereof of any **Insured**.

- B. **Claim Expenses** means reasonable fees, costs and expenses of outside accountants, attorneys, consultants or experts retained by the **Insured** to determine the amount and extent of loss covered under this **Crime Policy**. The reasonableness of such expenses will be determined by the Company. The phrase does not mean or include any of the **Insured's** internal corporate fees, costs (direct or indirect), obligations or **Employee** wages and salaries.
- C. **Client** means an entity designated as a **Client** by endorsement to this **Crime Policy** for which the **Insured** performs services as specified in a written agreement, but only while the written agreement is in effect.
- D. **Client's Premises** means the interior of that portion of any building the **Insured's Client** occupies in conducting its business.
- E. **Computer Fraud** means:
- The use of any computer to fraudulently cause a transfer of **Money**, **Securities** or **Other Property** from inside the **Premises** or **Financial Institution Premises**:
1. to a person (other than a **Messenger**) outside the **Premises** or **Financial Institution Premises**; or
  2. to a place outside the **Premises** or **Financial Institution Premises**.
- F. **Computer Program** means a set of related electronic instructions that direct the operations and functions of a **Computer System** or devices connected to it that enable the **Computer System** or devices to receive, process, store, retrieve, send, create or otherwise act upon **Electronic Data**.
- G. **Computer System** means a computer and all input, output, processing, storage and communication facilities and equipment that are connected to such a device and that the operating system or application software used by the **Insured** are under the direct operational control of the **Insured**. Off-line media libraries are deemed to be part of such **Computer System**.
- H. **Computer Violation** means:
1. a **Computer Virus** designed to damage or destroy a **Computer Program** or **Electronic Data**; or
  2. vandalism by a natural person, including an **Employee**, who has gained unauthorized electronic access to the **Insured's Computer System**.
- I. **Computer Virus** means a set of unauthorized instructions, programmatic or otherwise:
1. directed solely against the **Insured**; and
  2. that propagate themselves through the **Computer System** or networks;
- provided such instructions were maliciously introduced by a natural person.
- J. **Counterfeit** means an imitation of **Money** that is intended to deceive and to be taken as genuine.
- K. **Covered Instruments** means:
1. checks, drafts, promissory notes, bills of exchange or similar written promises, orders or directions to pay a sum certain in **Money**; and
  2. written instruments required in conjunction with any transaction involving any **Credit, Debit or Charge Card** issued to the **Insured**, the **Insured's Employees** or the **Insured's Management Staff Members** for business purposes.
- L. **Covered Personal Instruments** means:
1. checks, drafts, promissory notes or similar written promises, orders or directions to pay a sum certain in **Money**; and

2. written instruments required in conjunction with any transaction involving any **Credit, Debit or Charge Card** issued to a **Management Staff Member** for personal use.
- M. **Credit, Debit or Charge Card** means any card, plate or other similar device used for the purpose of obtaining **Money**, property, labor or services on credit or for immediate payment. The terms do not mean a note, check, draft, money order or other negotiable instrument.
- N. **Crime Policy** means, collectively, the Declarations, the application, the Crime Terms and Conditions, and any endorsements attached thereto.
- O. **Digital Signature** means an electronic identifier created by computer, within, attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.
- P. **Discover, Discovered, or Discovery** means the moment when the **Insured**, any partner in the **Insured**, or **Management Staff Member**:
1. first become(s) aware of facts that would cause a reasonable person to assume that a loss of a type covered by this **Crime Policy** has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact details of loss may not then be known; or
  2. first receive(s) notice of a claim against the **Insured** alleging facts which, if true, would constitute a loss under this **Crime Policy**,
- whichever occurs first.
- Q. **Electronic Data** means facts or information converted to a form:
1. usable in a **Computer System**;
  2. that does not provide instructions or directions to a **Computer System**; or
  3. that is stored on electronic processing media for use by a **Computer Program**.
- R. **Electronic Signature** means a **Digital Signature**, an electronic sound, symbol or process, within, attached to, or logically associated with a record and executed or adopted by a person with the intent to sign the record.
- S. **Employee** means:
1. any natural person:
    - a. while in the **Insured's** service or for 60 days after termination of service, unless such termination is due to **Theft** or **Forgery** or any other dishonest act committed by the **Employee**;
    - b. who the **Insured** compensates directly by salary, wages or commissions; and
    - c. who the **Insured** has the right to direct and control while performing services for the **Insured**;
  2. any natural person who is temporarily furnished to the **Insured**:
    - a. to substitute for an **Employee** as set forth in paragraph 1. above, who is on medical, military or other leave of absence; or
    - b. to 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**; provided, any such natural person who has care and custody of property outside the **Premises** is specifically excluded from this definition;

3. any natural person, other than a temporary **Employee** described in paragraph 2. 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 services for the **Insured**;
4. any natural person:
  - a. who is a member of the board of directors, member of the board of trustees or **LLC Manager** while acting as a member of any of the **Insured's** elected or appointed committees, including any member of such committee, to perform on the **Insured's** behalf, specific, as distinguished from general, directorial acts;
  - b. who is a non-compensated officer;
  - c. other than a non-compensated fund solicitor, while performing services for the **Insured** that are usual to the duties of an **Employee** or officer;
  - d. while acting as a non-compensated fund solicitor during fund raising campaigns;
  - e. who is a former **Employee**, member of the board of directors, partner, **LLC Manager**, or member of the board of trustees retained as a consultant while that person is subject to the **Insured's** direction and control and performing services for the **Insured**;
  - f. who is a guest student or intern pursuing studies or duties in any of the **Insured's** offices or **Premises**; while such person is subject to the **Insured's** direction and control and performing services for the **Insured**;
  - g. who is a volunteer, while such person is subject to the **Insured's** direction and control and is performing services for the **Insured**, or
5. any attorney retained by the **Insured**, and any employee of such attorney, while performing legal services for the **Insured**.

**Employee** also means any individual described in paragraphs 1-5 above while such person is on medical, military, or other leave of absence from the **Insured**. Coverage applies to any such **Employee** while on leave, regardless of whether such person remains subject to the **Insured's** direction and control during the time of leave.

**Employee** does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative or other person of the same general character not specified in paragraphs 1. through 5. above.

- T. **Employee Benefit Plan** means an employee welfare benefit plan or an employee pension benefit plan as more fully set forth in Title 1, Section 3 of the Employee Retirement Income Security Act of 1974 and any amendments thereto (ERISA) and which is solely sponsored by an **Employee Benefit Plan Sponsor**.
- U. **Employee Benefit Plan Sponsor** means:
1. the **First Named Insured**,
  2. any **Subsidiary**, or
  3. any other entity listed in Item 1. of the Declarations.

- V. **Fiduciary** means any natural person who is a trustee, an officer, an **Employee** or an administrator of any **Employee Benefit Plan**; and any person, or a member of the board of directors, an officer, an **Officer-Shareholder**, a member of the board of trustees, an **LLC Manager**, or an **Employee** while that person is handling **Money**, **Securities** and **Other Property** that belongs to any **Employee Benefit Plan**.
- Fiduciary** does not mean any agent, broker, independent contractor, broker/dealer, registered representative, investment advisor, custodian or other person or entity of the same general character.
- W. **Financial Institution** means:
1. a bank, trust company, savings bank, credit union, savings and loan association or similar thrift institution; or
  2. a stock brokerage firm, mutual fund, liquid assets fund or similar investment institution.
- X. **Financial Institution Premises** means the interior of that portion of any building occupied by a **Financial Institution** (including any night depository chute and any safe maintained by such **Financial Institution**), transfer agent or registrar or similarly recognized place of safe deposit.
- Y. **First Named Insured** means the entity first named in ITEM 1 of the Declarations.
- Z. **Forgery**, or **Forged** means the signing of the name of another person or organization with a handwritten signature physically affixed directly to a **Covered Instrument** or **Covered Personal Instrument**, without authority and with the intent to deceive; it does not mean a signature that consists in whole or in part of one's own name signed with or without authority in any capacity, for any purpose.
- AA. **Funds Transfer Fraud** means:
1. an electronic, telegraphic, cable, teletype or telephone instruction fraudulently transmitted to a **Financial Institution** directing such institution to debit a **Transfer Account** and to transfer, pay or deliver **Money** or **Securities** from the **Transfer Account** which instruction purports to have been transmitted by the **Insured**, but was in fact fraudulently transmitted by someone other than the **Insured** without the **Insured's** knowledge or consent;
  2. a fraudulent written instruction, other than one covered under Insuring Agreement B., issued to a **Financial Institution** directing such **Financial Institution** to debit a **Transfer Account** and to transfer, pay or deliver **Money** or **Securities** from such **Transfer Account** by use of an electronic funds transfer system at specified intervals or under specified conditions, which written instruction purports to have been issued by the **Insured** but was in fact fraudulently issued, **Forged** or altered by someone other than the **Insured** without the **Insured's** knowledge or consent; or
  3. an electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by the **Insured**, which purports to have been transmitted by an **Employee**, but which was in fact fraudulently transmitted by someone else without the **Insured's** or the **Employee's** consent.
- BB. **Identity Fraud** means the act of knowingly transferring or using, without lawful authority, a means of identification of a **Management Staff Member** with the intent to commit, aid, or abet any unlawful activity that constitutes a violation of federal law or a felony under any applicable jurisdiction.
- CC. **Identity Fraud Expense** means:
1. costs for notarizing fraud affidavits or similar documents for credit agencies, financial institutions, merchants or other credit grantors that have required that such affidavits be notarized;
  2. costs for certified mail to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors;

3. costs for long distance telephone calls to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors to report or discuss any actual **Identity Fraud**;
4. lost wages, up to a maximum payment of \$1,000. per week for a maximum period of five (5) weeks, as a result of absence from employment:
  - a. to communicate with law enforcement agencies, legal counsel, credit agencies, financial institutions, merchants or other credit grantors;
  - b. to complete fraud affidavits or similar documents; or
  - c. due to wrongful incarceration arising solely from someone having committed a crime in the **Management Staff Member's** name; provided, that lost wages will not apply in the case of wrongful incarceration absent all charges being dismissed or an acquittal;
5. loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;
6. reasonable attorney fees incurred, with the Company's prior written consent, for:
  - a. defense of lawsuits brought against the **Insured's Management Staff Member** by financial institutions, merchants, other credit grantors or their collection agencies;
  - b. the removal of any criminal or civil judgments wrongly entered against the **Insured's Management Staff Member**; or
  - c. challenging the accuracy or completeness of any information in a consumer credit report; and
7. costs for daycare and eldercare incurred solely as a direct result of any **Identity Fraud Discovered** during the **Policy Period**.

**Identity Fraud Expense** does not include any expense or loss not listed in paragraphs 1. through 7. of this Definition CC..

DD. **Insured** means:

1. for the purposes of Insuring Agreement A.2., any and all **Employee Benefit Plans**;
  - a. which have been established or maintained by an **Employee Benefit Plan Sponsor** as of the inception date of this **Crime Policy**, or
  - b. which have been created or acquired by an **Employee Benefit Plan Sponsor** after the inception date of this **Crime Policy**, subject to the provisions of General Agreements C and D.
- or
2. for the purposes of all other Insuring Agreements:
  - a. the **First Named Insured**,
  - b. any **Subsidiary**,
  - c. any **Sponsored Plan**, or
  - d. any other entity listed in Item 1. of the Declarations.

EE. **LLC Manager** means any natural person who was, is or becomes a manager, member of the board of managers, or a functionally equivalent executive of a limited liability company.

FF. **LLC Member** means any natural person who has an ownership interest in a limited liability company.

- GG. **Management Staff Member** means the **Insured's** proprietor, natural person partner, member of the board of directors, member of the board of trustees, officer, risk manager, in-house general counsel, **LLC Manager**, or **LLC Member**.
- HH. **Messenger** means any **Management Staff Member**, or relative thereof, any **Officer-Shareholder**, or any **Employee**, duly authorized, while having care and custody of covered property outside the **Premises**.
- II. **Money** means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including currency, coins, bank notes, bullion, travelers' checks, registered checks and money orders held for sale to the public.
- JJ. **Officer-Shareholder** means any officer who has a 25% or greater ownership interest in any one or more **Insureds**.
- KK. **Other Property** means any tangible property other than **Money** and **Securities** that has intrinsic value.
- LL. **Policy Period** means the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations. In no event will the **Policy Period** continue past the effective date of cancellation or termination of this **Crime Policy**.
- MM. **Premises** means the interior of that portion of any building the **Insured** occupies in conducting the **Insured's** business.
- NN. **Restoration Expense** means reasonable costs incurred by the **Insured** to reproduce **Computer Programs** or **Electronic Data** and enable the **Insured** to restore the **Insured's Computer System** to the level of operational capability that existed immediately preceding a **Computer Violation**.

**Restoration Expense** does not include:

1. the **Insured's** internal corporate costs and expenses, including **Employee** remuneration and any costs related to any legal action;
  2. expenses incurred as a result of the reconstruction of **Computer Programs** and **Electronic Data** recorded on media, including magnetic or optical media if there are no analyses files, specifications or backups of **Computer Programs** or **Electronic Data** held outside the **Premises**;
  3. expenses incurred as a result of the reconstruction of **Computer Programs** and **Electronic Data** if the **Insured** knowingly used illegal copies of programs;
  4. expenses incurred to render the **Computer Programs** and **Electronic Data** usable by replacement processing equipment;
  5. expenses incurred to design, update or improve **Computer Programs** or **Electronic Data** or to perfect their operation or performance;
  6. expenses incurred as a result of alteration in **Computer Programs** and **Electronic Data** held on magnetic media due to the effect of magnetic fields, incorrect usage of the **Computer Programs** and **Electronic Data**, or the obsolescence of the **Computer System**;
  7. the **Insured's** lost revenue, sales or profits; or
  8. expenses incurred by any customer.
- OO. **Robbery** means the unlawful taking of **Money**, **Securities** and **Other Property** from the care and custody of the **Insured**, the **Insured's** partners or any other person (except any person acting as a watchperson or janitor) by one who has:
1. caused or threatened to cause that person bodily harm; or
  2. committed an unlawful act witnessed by that person.
- PP. **Safe Burglary** means the unlawful taking of:
1. **Money**, **Securities** and **Other 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**.

QQ. **Securities** means written negotiable and non-negotiable instruments or contracts representing **Money** or property including:

1. tokens, tickets, 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 any **Credit, Debit or Charge Card**, which cards are not issued by the **Insured**;

but does not include **Money**.

RR. **Single Loss** means:

1. for purposes of Insuring Agreement A.:
  - a. an individual act;
  - b. the combined total of all separate acts; or
  - c. a series of related acts;

committed by an **Employee** or committed by more than one **Employee** acting alone or in collusion with other persons both during and before the **Policy Period**;

2. for purposes of Insuring Agreements B. and H.1., all loss caused by any person, or loss in which that person is involved, whether the loss involves one or more written **Covered Instruments** or **Covered Personal Instruments**; and

3. for purposes of all other Insuring Agreements:

- a. any act or series of related acts or events involving one or more persons; or
- b. any act, acts or events involving a person or group of persons acting together;

whether identified or not, both during and before the **Policy Period**.

SS. **Sponsored Plan** means any employee benefit plan or employee pension benefit plan solely sponsored by any **Insured** that is not subject to the terms of ERISA.

TT. **Subsidiary** means:

1. any corporation, partnership, limited liability company or other entity, organized under the laws of any jurisdiction in which, on or before the Inception Date set forth in ITEM 2 of the Declarations, the **Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint, or exercise a majority control over such entity's board of directors, board of trustees, board of managers, natural person general partners, or functional equivalent; or
2. subject to the provisions set forth in Section II. GENERAL AGREEMENTS D. ACQUISITIONS, of the Crime Terms and Conditions, any entity that the **Insured** acquires or forms during the **Policy Period** in which the **Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint or exercise a majority control over such entity's board of directors, board of trustees, board of managers, natural person general partners, or functional equivalent.

**Subsidiary** does not include any entity in which any **Insured** is engaged as a participant in any type of joint venture unless such entity is specifically scheduled as an additional **Insured** by endorsement to this **Crime Policy**.

UU. **Theft** means:

1. under Insuring Agreement A.3., the intentional unlawful taking of **Money, Securities and Other Property** to the deprivation of a **Client**;
  2. under Insuring Agreements C. or D., the intentional unlawful taking of **Money and Securities** to the **Insured's** deprivation.
  3. under all other Insuring Agreements, the intentional unlawful taking of **Money, Securities and Other Property** to the **Insured's** deprivation.
- VV. **Transfer Account** means an account maintained by the **Insured** at a **Financial Institution** from which the **Insured** can initiate the transfer, payment or delivery of **Money or Securities**:
1. by means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly or through an electronic funds transfer system; or
  2. by means of written instructions (other than those described in Insuring Agreements B. and H.1.) establishing the conditions under which such transfers are to be initiated by such **Financial Institution** through an electronic funds transfer system.

#### IV. **EXCLUSIONS**

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- A. This **Crime Policy** will not apply to loss resulting directly or indirectly from war, whether or not declared; civil war; insurrection; rebellion or revolution; military, naval or usurped power; governmental intervention, expropriation or nationalization; or any act or condition related to any of the foregoing.
- B. This **Crime Policy** will not apply to loss resulting directly or indirectly from seizure or destruction of property by order of governmental authority.
- C. This **Crime Policy** will not apply to loss resulting directly or indirectly from any fraudulent, dishonest or criminal act committed by the **Insured**, the **Insured's** natural person partners, any **LLC Member** or **Officer-Shareholder**, whether acting alone or in collusion with others; provided, this Exclusion C. will not apply to loss covered under Insuring Agreement A.2..
- D. This **Crime Policy** will not apply to loss resulting directly or indirectly from any fraudulent, dishonest or criminal act committed by any **Employee** or **Fiduciary** whether acting alone or in collusion with others, unless covered under Insuring Agreements A.1., A.2., A.3., F.2., or H..
- E. This **Crime Policy** will not apply to loss resulting directly or indirectly from any **Funds Transfer Fraud**, unless covered under Insuring Agreements A.1., A.2., A.3., or G..
- F. This **Crime Policy** will not apply to loss resulting directly or indirectly from the **Insured's** acceptance of money orders or **Counterfeit Money**, unless covered under Insuring Agreements A.1., A.2., A.3. or E..
- G. This **Crime Policy** will not apply to loss or damages resulting directly or indirectly from the input of **Electronic Data** by a natural person having the authority to enter the **Insured's Computer System**, unless covered under Insuring Agreements A.1., A.2., A.3., F.2. or G..
- H. This **Crime Policy** will not apply to loss resulting directly or indirectly from forged, altered or fraudulent documents or written instruments used as source documentation in the preparation of **Electronic Data**, unless covered under Insuring Agreements A.1., A.2., or A.3..
- I. This **Crime Policy** will not apply to any expenses incurred by the **Insured** in establishing the existence or the amount of any loss covered under this **Crime Policy**, unless covered under Insuring Agreement I..
- J. This **Crime Policy** will not apply to loss of income, whether or not earned or accrued, or potential income, including interest and dividends, not realized by the **Insured** as the result of any loss covered under this **Crime Policy**.
- K. This **Crime Policy** will not apply to damages of any type, except the **Insured's** direct compensatory damages resulting from a loss covered under this **Crime Policy**.

- L. This **Crime Policy** will not apply to indirect or consequential loss of any nature, including fines, penalties, multiple or punitive damages.
- M. This **Crime Policy** will not apply to loss resulting directly or indirectly from any **Theft**, disappearance, damage, destruction or disclosure of any intangible property or confidential information including:
1. trade secret information, confidential processing methods or other confidential information or intellectual property of any kind, or **Electronic Data** unless otherwise covered under Insuring Agreement F.2.; or
  2. **Computer Programs**.
- N. This **Crime Policy** will not apply to loss of, or damage to, manuscripts, records, accounts, microfilm, tapes or other records, whether written or electronic, or the cost of reproducing any information contained in such lost or damaged records, except when covered under Insuring Agreements C., D., or F.2..
- O. This **Crime Policy** will not apply to loss, or that part of any loss, the proof of which as to its existence or amount is dependent solely upon:
1. an inventory computation or physical count; or
  2. a profit and loss computation;
- provided that where the **Insured** establishes wholly apart from such computations or physical count that the **Insured** has sustained a loss covered under Insuring Agreements A.1., A.2, A.3. or F.1., then the **Insured** may offer the **Insured's** inventory records and an actual physical count of inventory in support of other evidence as to the amount of loss claimed.
- P. This **Crime Policy** will not apply to loss resulting directly or indirectly from trading whether or not in the name of the **Insured** or whether or not in a genuine or fictitious account, unless covered under Insuring Agreement A.1, A.2. or A.3..
- Q. This **Crime Policy** will not apply to loss resulting directly or indirectly from fire, except:
1. loss of or damage to **Money** or **Securities**; or
  2. damage to any safe or vault caused by the application of fire thereto in connection with any actual or attempted **Safe Burglary** when covered under Insuring Agreement C..
- R. This **Crime Policy** will not apply to loss resulting directly or indirectly from the giving or surrendering of **Money, Securities** or **Other Property** in any exchange or purchase, whether or not fraudulent, with any other party not in collusion with an **Employee**, except when covered under Insuring Agreement E..
- S. This **Crime Policy** will not apply to loss of **Money, Securities** or **Other Property** while in the custody of any **Financial Institution**, trust company, or similarly recognized place of safe deposit or armored motor vehicle company unless the loss is in excess of the amount recovered or received by the **Insured** under the **Insured's** contract, if any, with, or insurance carried by, any of the aforementioned.
- T. This **Crime Policy** will not apply to loss of **Money, Securities** or **Other Property** held by an armored motor vehicle company for the **Insured**, and which is stored by such company overnight inside buildings used in the conduct of its business.
- U. This **Crime Policy** will not apply to loss resulting directly or indirectly from nuclear reaction, nuclear radiation, radioactive contamination, biological or chemical contamination or to any related act or incident.
- V. This **Crime Policy** will not apply to loss of **Money, Securities** or **Other Property** resulting directly or indirectly from kidnap, extortion or ransom payments (other than **Robbery**) surrendered to any person as a result of a threat.
- W. This **Crime Policy** will not apply to loss resulting directly or indirectly from **Forgery** or alteration, except when covered under Insuring Agreements A.1., A.2., A.3., B., or H..
- X. This **Crime Policy** will not apply to loss resulting directly or indirectly from **Computer Fraud**, except when covered under Insuring Agreements A.1., A.2., A.3., F.1., or H.1..

- Y. This **Crime Policy** will not apply to loss under Insuring Agreements C. or D. resulting directly or indirectly from:
1. an accounting or arithmetical error or omission;
  2. the loss of property from within any money operated device, unless the amount of **Money** deposited in it is recorded by a continuous recording device;
  3. anyone, acting on the **Insured's** express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property;
  4. damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them; or
  5. damage to the **Premises** or its exterior or to containers of covered property by vandalism or malicious mischief.
- Z. This **Crime Policy** will not apply to loss resulting directly or indirectly from the diminution in value of **Money, Securities** or **Other Property**.
- AA. This **Crime Policy** will not apply to loss arising from any **Credit, Debit or Charge Card** if the **Insured**, the **Insured's Employee** or **Management Staff Member** has not fully complied with the provisions, conditions or other terms under which any card was issued.
- BB. This **Crime Policy** will not apply to loss sustained by any **Subsidiary** or related **Employee Benefit Plan** or **Sponsored Plan**, occurring at any time during which such entity was not a **Subsidiary** or related **Employee Benefit Plan** or **Sponsored Plan**.
- CC. This **Crime Policy** will not apply to loss sustained by the **Insured** or any **Subsidiary** to the extent it results in a benefit, gain or transfer to the **Insured** or any **Subsidiary**, except to the extent that such loss is covered under Insuring Agreement A.2..

## **V. CONDITIONS**

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### **A. GENERAL CONDITIONS**

1. Territory Covered

Except as indicated in Item 5. of the Declarations,

  - a. the Company will cover loss the **Insured** sustains anywhere in the world, and
  - b. the Company will cover all of the **Insured's** offices and **Premises**, including any additional offices or **Premises** pursuant to Sections II. GENERAL AGREEMENTS B. ADDITIONAL OFFICES, C. CONSOLIDATION, MERGER OR PURCHASE OF ASSETS, and D. ACQUISITIONS in this **Crime Policy**.
2. Cooperation

The **Insured** must cooperate with the Company in all matters pertaining to this **Crime Policy** as stated in its terms, conditions and limitations.
3. Extended Period to Discover Loss

The Company will pay the **Insured** for loss that the **Insured** sustained prior to the effective date of cancellation or termination of this **Crime Policy**, which is **Discovered** by the **Insured**:

  - a. no later than 90 days from the date of cancellation or termination; and
  - b. as respects any **Employee Benefit Plan**, no later than one (1) year from the date of cancellation or termination.

Notwithstanding the above, 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 **Crime Policy**, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

#### 4. Other Insurance

This **Crime Policy** applies only as excess insurance over, and will not contribute with: (1) any other valid and collectible insurance available to any **Insured** unless such insurance is written specifically excess of this **Crime Policy** by reference in such other policy to the Policy Number of this **Crime Policy**; and (2) indemnification to which any **Insured** is entitled from any other entity other than any **Insured**. As excess insurance, this **Crime Policy** will not apply or contribute to the payment of any loss to the **Insured** until the amount of such other insurance or indemnity has been exhausted by loss covered thereunder. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this **Crime Policy** will apply to that part of the loss not recoverable or recovered under the other insurance or indemnity. This **Crime Policy** will not be subject to the terms of any other insurance.

Any loss that is applicable to this Condition A.4. is subject to both the applicable Single Loss Limit of Insurance and applicable Single Loss Retention shown in ITEM 5 of the Declarations.

If this **Crime Policy** replaces prior insurance that provided the **Insured** with an extended period of time after the termination or cancellation of such prior insurance in which to **Discover** loss, then, and only with respect to loss **Discovered** during such extended period but sustained prior to the termination of such prior insurance, the coverage afforded by this **Crime Policy** applies as follows:

- a. the Company will have no liability for such loss, unless the amount of such loss exceeds the limit of insurance of that prior insurance; provided, that in such case, the Company will pay the **Insured** for the excess of such loss subject to the terms and conditions of this **Crime Policy**; and
- b. any payment the Company makes to the **Insured** for such excess loss will not be greater than the difference between the limit of insurance of the **Insured's** prior insurance and the applicable Single Loss Limit of Insurance of this **Crime Policy**. The Company will not apply the applicable Single Loss Retention to such excess loss.

#### 5. Ownership of Property; Interests Covered

- a. The property covered under this **Crime Policy** except as provided in 5.b. below is limited to property:
  - i. that the **Insured** owns or leases;
  - ii. that the **Insured** holds for others:
    - (a) on the **Insured's Premises** or the **Insured's Financial Institution Premises**; or
    - (b) while in transit and in the care and custody of a **Messenger**; or
  - iii. for which the **Insured** is legally liable, except for property located inside the **Insured's Client's Premises** or the **Insured's Client's Financial Institution Premises**.

Notwithstanding the above, this **Crime Policy** is for the **Insured's** benefit only and provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this **Crime Policy** must be presented by the **Insured**.

- b. If ITEM 5 of the Declarations indicates that coverage under Insuring Agreement A.3. Employee Theft of Client Property has been purchased, then the property covered under Insuring Agreement A.3. is limited to property:

- i. that the **Insured's Client** owns or leases;
- ii. that the **Insured's Client** holds for others; or
- iii. for which the **Insured's Client** is legally liable;

while the property is inside the **Insured's Client's Premises** or the **Insured's Client's Financial Institution Premises**.

Notwithstanding the above, this **Crime Policy** is for the **Insured's** benefit only and provides no rights or benefits to any other person or organization, including the **Insured's Client**. Any claim for loss by the **Insured's Client** that is covered under this **Crime Policy** must be presented by the **Insured**.

6. Representation, Concealment, Misrepresentation or Fraud

No statement made by the **Insured**, whether contained in the application, underwriting information or otherwise, is deemed to be a warranty of anything except that it is true to the best of the knowledge and belief of the person making the statement.

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

- a. this **Crime Policy**;
- b. the **Money, Securities or Other Property**;
- c. the **Insured's** interest in the **Money, Securities or Other Property**; or
- d. a claim under this **Crime Policy**.

7. Premiums

The **First Named Insured** is responsible for the payment of all premiums and will be the payee for any return premiums the Company pays.

8. Transfer of Rights and Duties Under this **Crime Policy**

Rights and duties under this **Crime Policy** may not be transferred without the Company's written consent except in the case of the death of a natural person **Insured**. If such person dies, then the decedent's rights and duties will be transferred to the decedent's legal representative, but only while acting within the scope of duties as the decedent's legal representative. Until a legal representative is appointed, anyone having proper temporary custody of the decedent's property will have all rights and duties but only with respect to that property.

## B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT

1. Limit of Insurance

a. Policy Aggregate Limit of Insurance

If ITEM 5 of the Declarations indicates that this **Crime Policy** includes a Policy Aggregate Limit of Insurance, then the Company's total liability for all loss **Discovered** during the **Policy Period** will not exceed such Policy Aggregate Limit of Insurance. The Policy Aggregate Limit of Insurance will be reduced by the amount of any payment made under the terms of this **Crime Policy**. If the Policy Aggregate Limit of Insurance is exhausted by any payment made for loss **Discovered** during the **Policy Period**, the Company will have no further liability for loss regardless of when **Discovered** and whether or not previously reported to the Company.

If applicable, the Policy Aggregate Limit of Insurance will be reinstated to the extent of any net recovery pursuant to Condition B.6. that is received by the Company during the **Policy Period** and before the Crime Policy Aggregate Limit of Insurance is exhausted. Recovery from reinsurance or indemnity, or both, for the Company's benefit will not be deemed a recovery as used herein. In the event that a loss of **Securities** is settled by the Company through the use of a Lost Securities Bond, such loss will not reduce the Crime Policy Aggregate Limit of Insurance, but any payment under the Lost Securities Bond reduces the Policy Aggregate Limit of Insurance under this **Crime Policy**.

The provisions of this Condition B.1.a. will not be applicable to Insuring Agreement A.2.

If ITEM 5 of the Declarations indicates that this **Crime Policy** does not include a Crime Policy Aggregate Limit of Insurance, then payment of loss under this **Crime Policy** will not reduce the Single Loss Limit of Insurance for other **Single Losses**.

b. Single Loss Limit of Insurance

The maximum Single Loss Limit of Insurance for each Insuring Agreement will not exceed the applicable amount set forth in ITEM 5 of the Declarations for such Insuring Agreement.

c. Special Limit of Insurance for Specified Other Property

The Company's liability for loss under Insuring Agreements C. and D. is limited as follows

- i. the lesser of \$25,000. or the amount shown as the Single Loss Limit of Insurance for any **Single Loss** involving precious metals, precious or semi-precious stones, pearls, furs, or completed articles made of or containing such enumerated materials that constitute more than half the value of such articles;
- ii. the lesser of \$25,000. or the amount shown as the Single Loss Limit of Insurance for any **Single Loss**, including damage to manuscripts, drawings or records of any kind, or the cost of reconstructing them or reproducing any information contained in them;

The Special Limit of Insurance for Specified Other Property is part of, and not in addition to, any applicable limit of liability.

d. Identity Fraud Expense Reimbursement Single Loss Limit of Insurance

The maximum limit of insurance per the **Insured's Management Staff Member** for each **Identity Fraud** covered under Insuring Agreement H.2. will not exceed the applicable Single Loss Limit of Insurance stated in ITEM 5 of the Declarations. All acts incidental to an **Identity Fraud**, any series of **Identity Frauds**, and all **Identity Frauds** arising from the same method of operation, whether committed by one or more persons, will be deemed to arise out of one act and will be treated as one **Identity Fraud**. If an act causes a covered loss under Insuring Agreement H.2. to more than one **Management Staff Member**, the applicable Single Loss Limit of Insurance and Retention under Insuring Agreement H.2. applies to each **Management Staff Member** separately.

e. Loss Covered Under More Than One Insuring Agreement of this **Crime Policy**

Subject to any applicable Crime Policy Aggregate Limit of Insurance, if any **Single Loss** is comprised of loss covered under more than one Insuring Agreement, the most the Company will pay the **Insured** for such **Single Loss** is the lesser of:

- i. the actual amount of such **Single Loss**; or

- ii. the sum of the Single Loss Limits of Insurance applicable to such Insuring Agreements applying to such loss.

## 2. Single Loss Retention

The Company will not pay the **Insured** for any **Single Loss** unless the amount of such **Single Loss** exceeds the Single Loss Retention shown in Item 5 of the Declarations. The Company will pay the **Insured** the amount of any **Single Loss** in excess of the Single Loss Retention, up to the Single Loss Limit of Insurance for the applicable Insuring Agreement.

If more than one Single Loss Retention applies to the same **Single Loss**, then only the highest Single Loss Retention will be applied.

No Single Loss Retention applies to any legal expenses paid to the **Insured** solely under Insuring Agreement B.

## 3. The Insured's Duties in the Event of a 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** that exceeds 25% of the Single Loss Retention, the **Insured** must:

- a. notify the Company as soon as possible;
- b. notify law enforcement authorities if the **Insured** has reason to believe that any loss, except for loss covered under Insuring Agreements A.1., A.2., A.3., or F.2., involves a violation of law;
- c. submit to examination under oath at the Company's request and give the Company a signed statement of the **Insured's** answers;
- d. give the Company a detailed, sworn proof of loss within 120 days; and
- e. cooperate with the Company in the investigation and settlement of any claim.

Proof of loss under Insuring Agreement B. and H.1. must include: (1) an affidavit of **Forgery** setting forth the amount and cause of loss; and (2) the original written **Covered Instruments** or **Personal Covered Instruments** or a copy of such written instruments.

## 4. Valuation / Settlement

Subject to the applicable limit of insurance provision (Section V. CONDITIONS B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT 1. Limit of Insurance) the Company will pay the **Insured** for:

- a. loss of **Money** but only up to and including its face value, and, at the Company's option, pay for loss of **Money** issued by any country other than the United States of America:
  - i. at face value in the **Money** issued by that country; or
  - ii. in the United States of America dollar equivalent determined by the rate of exchange published in The Wall Street Journal on the day the loss was **Discovered**;
- b. loss of **Securities** but only up to and including their value at the close of business on the day the loss was **Discovered**, and at the Company's option:
  - i. pay the **Insured** the value of such **Securities** or replace them in kind, in which event the **Insured** must assign to the Company all the **Insured's** rights, title and interest in those **Securities**; or

- ii. pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the **Securities**; provided, the Company will be liable only for the cost of the Lost Securities Bond as would be charged for a bond having a penalty not exceeding the lesser of the value of the **Securities** at the close of business on the day the loss was **Discovered**;
- c. loss of, or loss from damage to, **Other Property** or **Premises** including its exterior for the replacement cost without deduction for depreciation; provided, the Company will pay the **Insured** the lesser of the following:
  - i. the applicable Single Loss Limit of Insurance;
  - ii. the cost to replace **Other Property** or **Premises** including its exterior with property of comparable material and quality, and used for the same purpose; or
  - iii. the amount the **Insured** actually spends that is necessary to repair or replace such property;

provided, the Company will, at its option, pay the **Insured** for loss of, or loss from damage to, **Other Property** or **Premises** including its exterior, in the **Money** of the country in which the loss occurred, or 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**.

The Company will not pay the **Insured** on a replacement cost basis for any loss or damage until such property is actually repaired or replaced, and 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 Company will pay the **Insured** actual cash value on the day the loss was **Discovered**.

Any property that the Company pays the **Insured** for or replaces becomes the Company's property.

## 5. Records

The **Insured** must keep records of all **Money**, **Securities**, and **Other Property** under this **Crime Policy** so the Company can verify the amount of any loss.

## 6. Recoveries

- a. All recoveries for payments made under this **Crime Policy** should be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:
  - i. first, to the **Insured** to reimburse the **Insured** for loss sustained that would have been paid under this **Crime Policy** but for the fact that it is in excess of the applicable Single Loss Limit(s) of Insurance;
  - ii. second, to the Company in satisfaction of amounts paid or to be paid to the **Insured** in settlement of the **Insured's** covered claim;
  - iii. third, to the **Insured** in satisfaction of any Single Loss Retention; and
  - iv. fourth, to the **Insured** in satisfaction of any loss not covered under this **Crime Policy**.
- b. The value of all property received by the **Insured** from any source whatever and whenever received, in connection with any matter from which a loss has arisen, will be valued as of the date received and will be deducted from the covered loss.

- c. Recoveries do not include any recovery:
  - i. from insurance, suretyship, reinsurance, security or indemnity taken for the Company's benefit; or
  - ii. of original **Securities** after duplicates of them have been issued.

7. Transfer of the Insured's Rights of Recovery Against Others to the Company

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

8. Legal Action Against the Company

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

- a. unless the **Insured** has complied with all the terms of this **Crime Policy**;
- b. until 90 days after the **Insured** has filed proof of loss with the Company; and
- c. unless brought within two (2) years from the date the **Insured Discovers** the loss.

If any limitation in this Condition B.8. is deemed to be inconsistent with applicable law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

9. Liberalization

If the Company adopts any revision to the Crime Terms and Conditions of this **Crime Policy** that would broaden coverage and such revision does not require an additional premium or endorsement and the revision is adopted within 45 days prior to or during the **Policy Period**, the broadened coverage will apply to this **Crime Policy** as of the date the revision is approved for general use by the applicable department of insurance.

## C. EMPLOYEE BENEFIT PLAN PROVISIONS – INFLATION GUARD

In compliance with certain provisions of ERISA:

- 1. if any **Employee Benefit Plan** is insured jointly with any other entity under this **Crime Policy**, the **Insured** must select a Single Loss Limit of Insurance for Insuring Agreement A.2. that is sufficient to provide an amount of insurance for each **Employee Benefit Plan** that is at least equal to that required if each **Employee Benefit Plan** were insured separately;
- 2. if the **Insured** is an entity other than an **Employee Benefit Plan**, any payment the Company makes to the **Insured** for loss sustained by any **Employee Benefit Plan** will be held by such **Insured** for the use and benefit of the **Employee Benefit Plan(s)** sustaining the loss; and
- 3. if two or more **Employee Benefit Plans** are covered under this **Crime Policy**, any payment the Company makes for loss:
  - a. sustained by two or more **Employee Benefit Plans**; or

- b. of commingled **Money, Securities** or **Other Property** of two or more **Employee Benefit Plans**;

that arises out of a **Single Loss** 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 of insurance.

- 4. If, at the inception date of this **Crime Policy**, or a preceding policy written by the Company that provided ERISA fidelity coverage for **Employee Benefit Plans**, the **Insured** has or had a Single Loss Limit of Insurance under such ERISA fidelity coverage for **Employee Benefit Plans** that is or was equal to or greater than the limit of insurance required under ERISA, the Single Loss Limit of Insurance under Insuring Agreement A.2. will equal the greater of the amount of the limit of insurance required by ERISA or the Single Loss Limit of Insurance set forth in Item 5. of the Declarations for Insuring Agreement A.2.

#### **D. CANCELLATION OR TERMINATION**

- 1. The **Insured** may cancel:
  - a. this **Crime Policy** in its entirety;
  - b. an Insuring Agreement; or
  - c. coverage for any **Insured**;

by mailing or delivering to the Company advance written notice of cancellation.

- 2. The Company may cancel:
  - a. this **Crime Policy** in its entirety;
  - b. an Insuring Agreement; or
  - c. coverage for any **Insured**;

by mailing or delivering to the **First Named Insured** written notice of cancellation at least 20 days before the effective date of cancellation if the Company cancels for nonpayment of premium; or 60 days before the effective date of cancellation if the Company cancels for any other reason.

The Company will mail or deliver the Company's notice to the **First Named Insured's** last mailing address known to the **Company**. Notice of cancellation will state the effective date of cancellation and the **Policy Period** will end on that date. If this **Crime Policy** or an Insuring Agreement is cancelled, the Company will send the **First Named Insured** any premium refund due. If the Company cancels this **Crime Policy**, the refund will be pro rata. If the **Insured** cancels, the earned premium will be computed in accordance with the customary short rate table and procedure. The cancellation will be effective even if the Company has not made or offered a refund. If notice is mailed, proof of mailing will be sufficient proof of notice.

- 3. This **Crime Policy** terminates:
  - a. in its entirety immediately upon the expiration of the **Policy Period**;

- b. in its entirety immediately upon exhaustion of the Policy Aggregate Limit of Insurance, if applicable; provided, that no **Crime Policy** termination under this Condition D.3.b. will be effective with respect to any **Employee Benefit Plan** covered under Insuring Agreement A.2.;
- c. in its entirety immediately upon the voluntary liquidation or dissolution of the **First Named Insured**; provided, that no **Crime Policy** termination under this Condition D.3.c. will be effective with respect to any **Employee Benefit Plan** covered under Insuring Agreement A.2.; or
- d. as to any **Subsidiary** immediately upon the **Change of Control** of such **Subsidiary**.

4. This **Crime Policy** terminates as to any **Employee**:

- a. as soon as the **Insured's** partner, any of the **Insured's Management Staff Members** or any **Employee** with managerial or supervisory responsibility not in collusion with the **Employee** becomes aware of any dishonest or fraudulent employment related act involving an amount in excess of \$10,000; or
- b. 60 days after the **Insured's** partner, any of the **Insured's Management Staff Members** or any **Employee** with managerial or supervisory responsibility not in collusion with the **Employee** becomes aware of any dishonest or fraudulent non-employment related act; either of which acts were committed by such **Employee** in the **Insured's** service, during the term of employment by the **Insured** or prior to employment by the **Insured**, provided such dishonest or fraudulent non-employment related act involved **Money, Securities** or **Other Property** is in an amount in excess of \$10,000.

## E. CHANGES

Only the **First Named Insured** is authorized to make changes in the terms of this **Crime Policy** and solely with the Company's prior written consent. This **Crime Policy's** terms can be changed, amended or waived only by endorsement issued by the Company and made a part of this **Crime Policy**. Notice to any representative of the **Insured** or knowledge possessed by any agent or by any other person will not effect a waiver or change to any part of this **Crime Policy**, or estop the Company from asserting any right under the terms, conditions and limitations of this **Crime Policy**, nor may the terms, conditions and limitations hereunder be waived or changed, except by a written endorsement to this **Crime Policy** issued by the Company.

## F. ENTIRE AGREEMENT

The Declarations, the application, the Crime Terms and Conditions, and any endorsements attached thereto, constitute the entire agreement between the **Insured** and the Company.

## G. HEADINGS

The titles of the various paragraphs of this **Crime Policy** and its endorsements are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provision to which they relate.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**REPLACE GENERAL AGREEMENT E. - CHANGE OF CONTROL - NOTICE REQUIREMENTS  
ENDORSEMENT**

This endorsement changes the following:

**Crime**

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**It is agreed that:**

The following replaces section II. **GENERAL AGREEMENTS, E. CHANGE OF CONTROL – NOTICE REQUIREMENTS:**

**E. CHANGE OF CONTROL – NOTICE REQUIREMENTS**

When the **Insured** learns that a **Change of Control** has taken place as to the **First Named Insured**, or will take place during the **Policy Period**, the **Insured** must give the Company written notice within 90 days of the effective date of such **Change of Control**.

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Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **107365949**

CRI-19060 Ed. 07-13

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**GLOBAL COVERAGE COMPLIANCE ENDORSEMENT – ADDING FINANCIAL INTEREST COVERAGE  
AND SANCTIONS CONDITION AND AMENDING TERRITORY CONDITION**

This endorsement changes the following:

**Crime**

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**It is agreed that:**

1. The following is added to section **III. DEFINITIONS**:

**Financial Interest** means the **First Named Insured's** insurable interest in an **Insured** that is domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, as a result of the **First Named Insured's**:

1. ownership of the majority of the outstanding securities or voting rights of the **Insured** representing the present right to elect, appoint, or exercise a majority control over such **Insured's** board of directors, board of trustees, board of managers, natural person general partner, or functional foreign equivalent;
2. indemnification of, or representation that it has an obligation to indemnify, the **Insured** for loss sustained by such **Insured**; or
3. election or obligation to obtain insurance for such **Insured**.

2. The following replaces section **V. CONDITIONS, A. GENERAL CONDITIONS, 1., Territory Covered**:

1. Territory Covered

- a. Except as indicated in Item 5. of the Declarations,

- i. the Company will cover loss the **Insured** sustains anywhere in the world, and
- ii. the Company will cover all of the **Insured's** offices and **Premises**, including any additional offices or **Premises** pursuant to sections II. GENERAL AGREEMENTS B. ADDITIONAL OFFICES, C. CONSOLIDATION, MERGER OR PURCHASE OF ASSETS, and D. ACQUISITIONS in this **Crime Policy**.

- b. This **Crime Policy** does not apply to:

- i. loss sustained by an **Insured** domiciled; or
- ii. loss of **Other Property** located,

in any country or jurisdiction in which the Company is not licensed to provide this insurance, to the extent that providing this insurance would violate the laws or regulations of such country or jurisdiction.

- c. In the event an **Insured** sustains loss referenced in b. above to which this **Crime Policy** would have applied, the Company will reimburse the **First Named Insured** for its loss, on account of its **Financial Interest** in such **Insured**.

3. The following is added to section **V. CONDITIONS, B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT**:

In the event the Company reimburses the **First Named Insured** on account of its **Financial Interest** in an **Insured**, as a condition precedent to exercising rights under this **Crime Policy**, the **First Named Insured** will cause the **Insured** to comply with the conditions of this **Crime Policy**.

- 4 The following is added to section **V. CONDITIONS**:

**SANCTIONS**

This **Crime Policy** will provide coverage for any loss or expenses, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose the Company or any of its affiliated or parent companies to any trade or economic sanction under any law or regulation of the United States of America or any other applicable trade or economic sanction, prohibition or restriction.

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Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

AMENDATORY ENDORSEMENT FOR CERTAIN ERISA CONSIDERATIONS

This endorsement changes the following:

Crime

It is agreed that:

1. The following replaces section I. **INSURING AGREEMENTS**, A. 2. ERISA Fidelity:

2. ERISA Fidelity

The Company will pay the **Insured** for direct loss of, or direct loss from damage to, **Money, Securities and Other Property** that belongs to an **Employee Benefit Plan**, directly caused by acts of **Fraud or Dishonesty** committed by a **Fiduciary**, whether identified or not, acting alone or in collusion with other persons.

2. The following is added to section III. **DEFINITIONS**:

**Fraud or Dishonesty** has the meaning set forth in Title 29, Code of Federal Regulations, Section 2580.412-9.

**Handled or Handling** mean "handle", "handled", "handles" or "handling" as these terms are set forth in Title 29, Code of Federal Regulations, Section 2580.412-6.

3. The following replaces section III. **DEFINITIONS**, V.

V. **Fiduciary** means:

1. any natural person who is a trustee, officer, **Employee**, or an administrator, of any **Employee Benefit Plan**; or
2. any natural person who is a member of the board of directors, member of the board of trustees, a partner, an **LLC Manager**, an **LLC Member**, an **Officer-Shareholder**, an officer, or an **Employee**, of any **Employee Benefit Plan Sponsor**; while that person is **Handling Money, Securities, or Other Property** that belongs to an **Employee Benefit Plan**.

**Fiduciary** does not mean any agent, broker, independent contractor, third party administrator, broker-dealer, registered representative, investment advisor, custodian, or other person or entity of the same general character.

4. The following replaces section IV. **EXCLUSIONS**, M and Z:

M. This **Crime Policy** will not apply to loss resulting directly or indirectly from any **Theft**, disappearance, damage, destruction, or disclosure of any intangible property or confidential information, including:

1. trade secret information, confidential processing methods, or other confidential information or intellectual property of any kind, or **Electronic Data**, unless otherwise covered under Insuring Agreement F.2.; or
2. **Computer Programs**,

provided that this exclusion will not apply to loss that is otherwise covered under Insuring Agreement A. 2., ERISA Fidelity caused by a **Fiduciary's** access to, use of, or disclosure of, such intangible property or confidential information to commit acts of **Fraud or Dishonesty**.

Z. This **Crime Policy** will not apply to loss resulting directly or indirectly from the diminution in value of **Money, Securities, or Other Property**, provided that this exclusion will not apply to loss that is otherwise covered under Insuring Agreement A. 2., ERISA Fidelity caused by a **Fiduciary's** acts of **Fraud or Dishonesty**.

5. The following replaces section **V. CONDITIONS, A. GENERAL CONDITIONS**, 3. Extended Period to Discover Loss:

3. Extended Period to Discover Loss

The Company will pay the **Insured** for loss that the **Insured** sustained prior to the effective date of cancellation or termination of this **Crime Policy**, which is **Discovered** by the **Insured**:

- a. no later than 90 days from the date of cancellation or termination; and
- b. as respects any **Employee Benefit Plan**, no later than one year from the date of cancellation or termination.

Notwithstanding the above, with respect to all Insuring Agreements other than Insuring Agreement A.2. ERISA Fidelity, 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 **Crime Policy**. With respect to Insuring Agreement A.2. ERISA Fidelity, the extended period to Discover Loss terminates upon the effective date of any other insurance obtained by the **Employee Benefit Plan Sponsor** or the **Employee Benefit Plan** that offers the same coverage afforded by this **Crime Policy** in an amount no less than the minimum amount required under ERISA section 412 and that provides coverage for loss sustained prior to its effective date.

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Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

**SOCIAL ENGINEERING FRAUD INSURING AGREEMENT ENDORSEMENT**

This endorsement changes the following:

**Crime**

**It is agreed that:**

1. The following is added to ITEM 5. of the Declarations:

<b>Insuring Agreement</b>	<b>Single Loss Limit of Insurance</b>	<b>Single Loss Retention</b>
<b>Social Engineering Fraud</b>	\$25,000	\$500

2. The following **INSURING AGREEMENT** is added to section **I. INSURING AGREEMENTS**:

**SOCIAL ENGINEERING FRAUD**

The Company will pay the **Insured** for the **Insured's** direct loss from the transferring, paying or delivering of **Money** or **Securities**, directly caused by **Social Engineering Fraud**.

3. The following are added to section **III. DEFINITIONS**:

**Authorized Person** means an **Officer-Shareholder**, sole proprietor, director, trustee, natural person partner, **LLC Manager** or **LLC Member** who is authorized by the **Insured** to transfer, pay, or deliver **Money** or **Securities** or to instruct **Employees** or other **Authorized Persons** to transfer, pay, or deliver **Money** or **Securities**.

**Communication** means an electronic, telegraphic, cable, teletype, telephonic voice, telefacsimile, or written instruction received by an **Employee** or **Authorized Person** that:

1. directs the **Employee** or **Authorized Person** to transfer, pay, or deliver **Money** or **Securities**;
2. contains a misrepresentation of a material fact; and
3. is relied upon by the **Employee** or **Authorized Person**, believing the material fact to be true.

**Social Engineering Fraud** means the intentional misleading of an **Employee** or **Authorized Person** by a natural person impersonating:

1. a **Vendor**, or that **Vendor's** attorney;
2. a **Client**, or that **Client's** attorney;
3. an **Employee**; or
4. an **Authorized Person**,

through the use of a **Communication**.

**Vendor** means an entity or natural person that has provided goods or services to the **Insured** under a genuine, pre-existing, written agreement or other agreed-upon arrangement.

**Vendor** does not include any **Financial Institution**, asset manager, armored motor vehicle company, or similar entity.

4. The following replaces section **III. DEFINITIONS, G. Computer System**:

**G. Computer System** means:

1. any computer; and
2. any input, output, processing, storage, or communication device, or any related network, cloud service, operating system, or application software, that is connected to, or used in connection with, such computer, that is rented by, owned by, leased by, licensed to, or under the direct operational control of, the **Insured**.

5. Solely with respect to the Social Engineering Fraud Insuring Agreement, the following replaces section III. **DEFINITIONS, C. Client:**

C. **Client** means an entity or natural person for which the **Insured** provides goods or performs services, for a fee, or as specified in a pre-existing written agreement, but only while the written agreement is in effect.

6. The following replaces section III. **DEFINITIONS, E. Computer Fraud:**

E. **Computer Fraud** means an intentional, unauthorized, and fraudulent entry or change of data or computer instructions directly into a **Computer System**:

1. by a natural person or entity, other than an **Employee, Authorized Person**, independent contractor, or any individual under the direct supervision of the **Insured**, including any such entry or change made via the internet, provided that such entry or change causes **Money, Securities, or Other Property** to be transferred, paid, or delivered from inside the **Premises** or from the **Insured's Financial Institution Premises**, to a place outside the **Premises** or the **Insured's Financial Institution Premises**; or
2. made by an **Employee or Authorized Person** acting in good faith upon an intentional, unauthorized, and fraudulent instruction received from a computer software contractor who has a written agreement with the **Insured** to design, implement, or service **Computer Programs** for a **Computer System** covered under section I. **INSURING AGREEMENTS, F. COMPUTER CRIME**.

For purposes of this definition, an intentional, unauthorized, and fraudulent entry or change of data or computer instructions does not include such entry or change made by an **Employee, Authorized Person**, independent contractor, or any individual under the direct supervision of the **Insured** made in reliance upon any fraudulent electronic, cable, teletype, telephonic voice, telefacsimile, or written instruction, except as defined in E.2. above. An intentional, unauthorized, and fraudulent entry or change of data or computer instructions also does not include such entry or change that involves the use, or purported use, of any **Credit, Debit, or Charge Card** or any access, convenience, identification, stored value, or other similar cards, including the information contained on such cards.

**Computer Fraud** does not include **Social Engineering Fraud** or **Funds Transfer Fraud**.

7. The following replaces section III. **DEFINITIONS, AA. Funds Transfer Fraud:**

AA. **Funds Transfer Fraud** means:

1. an electronic, telegraphic, cable, teletype, or telephone instruction, fraudulently transmitted to a **Financial Institution** directing such institution to debit a **Transfer Account** and to transfer, pay, or deliver **Money or Securities** from the **Transfer Account**, which instruction purports to have been transmitted by the **Insured** but was in fact fraudulently transmitted by someone other than the **Insured** without the **Insured's** knowledge or consent; or
2. a fraudulent written instruction, other than one covered under Insuring Agreement B., issued to a **Financial Institution** directing such **Financial Institution** to debit a **Transfer Account** and to transfer, pay, or deliver **Money or Securities** from such **Transfer Account** by use of an electronic funds transfer system at specified intervals or under specified conditions, which written instruction purports to have been issued by the **Insured** but was in fact fraudulently issued, **Forged**, or altered by someone other than the **Insured** without the **Insured's** knowledge or consent.

**Funds Transfer Fraud** does not include **Social Engineering Fraud**.

8. The following replaces section III. **DEFINITIONS, DD. Insured:**

DD. **Insured** means:

1. for the purposes of Insuring Agreement A.2. and the Social Engineering Fraud Insuring Agreement, any and all **Employee Benefit Plans**:
  - a. which have been established or maintained by an **Employee Benefit Plan Sponsor** as of the inception date of this **Crime Policy**; or
  - b. which have been created or acquired by an **Employee Benefit Plan Sponsor** after the inception date of this **Crime Policy**, subject to the provisions of General Agreements C. and D.
2. for the purposes of all Insuring Agreements, except Insuring Agreement A.2.:
  - a. the **First Named Insured**,
  - b. any **Subsidiary**,
  - c. any **Sponsored Plan**, or
  - d. any other entity listed in Item 1. of the Declarations.

9. The following replaces section **IV. EXCLUSIONS**, G., H., and R.:
- G. This **Crime Policy** will not apply to loss or damages resulting directly or indirectly from the input of **Electronic Data** by a natural person having the authority to enter the **Computer System**, unless covered under Insuring Agreements A.1., A.2., A.3., F1., but only when covered under section III. DEFINITIONS, E., **Computer Fraud**, 2., F.2., G., or the Social Engineering Fraud Insuring Agreement.
- H. This **Crime Policy** will not apply to loss resulting from forged, altered, or fraudulent negotiable instruments, securities, documents, or instructions used as source documentation to enter **Electronic Data** or send instructions, provided this does not apply to Insuring Agreements A.1., A.2., A.3., or the Social Engineering Fraud Insuring Agreement.
- R. This **Crime Policy** will not apply to loss resulting directly or indirectly from:
1. the giving or surrendering of **Money, Securities or Other Property** in any exchange or purchase, whether genuine or fictitious; or
  2. any other giving or surrendering of, or voluntary parting with, **Money, Securities or Other Property**, whether or not induced by any dishonest or fraudulent act, except when covered under:
    - a. Insuring Agreement A.;
    - b. Insuring Agreement E.;
    - c. Insuring Agreement F1., or
    - d. the Social Engineering Fraud Insuring Agreement.
10. Solely with respect to the Social Engineering Fraud Insuring Agreement, the following replaces section **IV. EXCLUSIONS**, T.:
- T. This **Crime Policy** will not apply to loss of **Money, Securities or Other Property**:
1. while in the mail; or
  2. while in the custody of any messenger, carrier for hire, or armored motor vehicle company.
11. Solely with respect to the Social Engineering Fraud Insuring Agreement, the following are added to section **IV. EXCLUSIONS**:
- This **Crime Policy** will not apply to:
- a. loss or damage due to **Theft** by an **Employee, Forgery, Computer Fraud, Funds Transfer Fraud**, or acceptance of money orders or **Counterfeit Money**;
  - b. loss due to any investment in **Securities**, or ownership in any corporation, partnership, real property, or similar instrument, whether or not such investment is genuine;
  - c. loss due to the failure, malfunction, illegitimacy, inappropriateness, or inadequacy of any product or service;
  - d. loss resulting directly or indirectly from the failure of any party to perform in whole or in part under any contract;
  - e. loss due to any non-payment of or default upon any loan, extension of credit, or similar promise to pay;
  - f. loss due to any party's use of or acceptance of any **Credit, Debit or Charge Card** or any access, convenience, identification, stored value or other similar card or instrument, including the information contained on such cards, whether or not genuine; or
  - g. loss due to items of deposit which are not finally paid for any reason, including forgery or any other fraud; however, this exclusion does not apply to United States Government checks or drafts that are returned by the United States Government for any reason after the funds for said checks or drafts have been credited to the **Insured's** account at a **Financial Institution**.

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Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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

**DELETE EXCLUSION FOR PRIOR LOSSES INVOLVING SUBSIDIARIES ENDORSEMENT**

This endorsement changes the following:

**Crime**

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**It is agreed that:**

Section **IV. EXCLUSIONS**, BB. is deleted.

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Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

INCLUDE DESIGNATED PROPERTY MANAGERS AS EMPLOYEES ENDORSEMENT

This endorsement changes the following:

**Crime**

**It is agreed that:**

1. The following is added to section **III. DEFINITIONS, S. Employee:**

**Employee** also includes each natural person, partnership or corporation that:

1. the **Insured** appoints in a written agreement to act as the **Insured's** property manager;
2. is shown in the schedule below; and
3. is subject to the **Insured's** direction and control while performing services for the **Insured**,

but only while such person, partnership or corporation (hereafter "Designated Property Manager") is acting on the **Insured's** behalf and while in possession of the **Money, Securities and Other Property**.

**Employee** also includes any natural person, partnership or corporation previously appointed in a written agreement to act as the **Insured's** property manager, but only for acts committed while performing such services for the **Insured** that are **Discovered** during the current **Policy Period**.

Each such Designated Property Manager, including the natural person, partners, officers and employees of that Designated Property Manager, are considered to be, collectively, one **Employee** for the purposes of this insurance; except with respect to section V. CONDITIONS, D. CANCELLATION OR TERMINATION, Paragraph 4.

2. The following replaces the last sentence of section **III. DEFINITIONS, S. Employee:**

**Employee** does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative or other person of the same general character not specified in paragraphs 1. through 5. above or in the schedule set forth in this Include Designated Property Managers as Employees Endorsement.

3. The most the Company will pay under this **Crime Policy** for **Theft** committed by a Designated Property Manager included as an **Employee** by this endorsement is the Single Loss Limit of Insurance shown in the schedule below. Such Single Loss Limit of Insurance is part of, not in addition to, the Single Loss Limit of Insurance shown in the Declarations as applicable to Insuring Agreement, A. FIDELITY, 1. Employee Theft.
4. The Company will not pay the **Insured** for any **Single Loss** caused by a Designated Property Manager included as an **Employee** by this endorsement unless the amount of such **Single Loss** exceeds the Single Loss Retention shown in the schedule below.
5. If ITEM 5 of the Crime Declarations indicates that this **Crime Policy** includes a Policy Aggregate Limit of Insurance, then section V. CONDITIONS, B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT, 1. Limit of Insurance, a. Policy Aggregate Limit of Insurance, applies to this endorsement and any payment under this **Crime Policy** for loss caused by a Designated Property Manager included as an **Employee** by this endorsement will reduce, and may exhaust, the Aggregate Limit of Insurance by the amount of such payment.

Including any natural person, partnership, or corporation, other than specifically designated in the schedule below, which the **Insured** appoints in writing after the effective date of this endorsement to act as a Designated Property Manager, provided:

1. that coverage for any Designated Property Manager appointed in writing subsequent to the effective date of this endorsement will only be afforded for loss directly caused by such Designated Property Manager and sustained by the **Insured** on or after the date the new Designated Property Manager was appointed;

2. the loss is **Discovered** by the **Insured** during the **Policy Period** or Extended Period to Discover Loss pursuant to the terms set forth in section V. CONDITIONS, A. GENERAL CONDITIONS, 3. Extended Period to Discover Loss; and
3. the Single Loss Limit of Insurance and the Single Loss Retention amounts applicable to any Designated Property Manager appointed in writing subsequent to the effective date of this endorsement are the highest such values shown in the schedule below, respectively.

#### **SCHEDULE**

<u>Designated Property Manager</u>	<u>Single Loss Limit of Insurance</u>	<u>Single Loss Retention</u>
Boulder Mountain Property Management	\$25,000	\$500

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Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUDE CURRENCY OR COIN RENT PAYMENTS ENDORSEMENT

This endorsement modifies the following coverage:

**Crime**

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**It is agreed that:**

Solely with respect to the coverage shown above, this **Crime Policy** does not cover loss involving currency or coin received for payment of rents.

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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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Issuing Company: **Travelers Casualty and Surety Company of America**  
Policy Number: **107365949**

## IDAHO CANCELLATION OR TERMINATION ENDORSEMENT

This endorsement changes the following:

### Crime

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#### It is agreed that:

1. The following replaces section **V., CONDITIONS, D.2.:**

2. The Company may cancel:
- a. this **Crime Policy** in its entirety;
  - b. an Insuring Agreement; or
  - c. coverage for any **Insured**;

by mailing or delivering to the **First Named Insured** written notice of cancellation at least **20** days (number of days must equal or exceed 20 days) before the effective date of cancellation if the Company cancels for nonpayment of premium; or **60** days (number of days must equal or exceed 60 days) before the effective date of cancellation if the Company cancels for any reason scheduled below. The Company may cancel for any of the following reasons:

- a. nonpayment of premium,
- b. fraud or material misrepresentation,
- c. activities or omissions by the **Insured** which increase hazards,
- d. change in risks which may increase loss,
- e. loss or decrease of the Company's reinsurance,
- f. continuation of the policy would place the Company in violation of the insurance laws,
- g. violation or breach of policy terms by the **Insured**

The Company will mail or deliver the Company's notice to the **First Named Insured's** last mailing address known to the Company. Notice of cancellation will state the effective date of cancellation and the **Policy Period** will end on that date. If this **Crime Policy** or an Insuring Agreement is cancelled, the Company will send the **First Named Insured** any premium refund due, computed on a pro-rata basis. The cancellation will be effective even if the Company has not made or offered a refund. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. The following is added to section **V., CONDITIONS, D. CANCELLATION OR TERMINATION:**

5. The Company will not be required to renew this **Liability Policy** upon its expiration. If the Company elects not to renew, the Company will provide to the **First Named Insured** written notice to that effect **45** days (number of days must equal or exceed 45 days) before the Expiration Date set forth in ITEM 2 of the Declarations.

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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **107365949**

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**PO Box 2950  
Hartford, CT 06104-2950**

November 30, 2023

AIRPORT BUSINESS AND STORAGE ASSOCIATION INC  
PO BOX 5764  
c/o Boulder Mountain Property Management  
HAILEY, ID 83333-5764

Re: Important Information about Claims Information Line

Dear AIRPORT BUSINESS AND STORAGE ASSOCIATION INC

Travelers Bond & Specialty Insurance is pleased to announce its **1-800-842-8496** Claims Information Line. This line is designed to provide insureds with an additional resource on how to report claims or those circumstances or events which may become claims.

Policyholders will be able to obtain assistance on the following topics from the Claims Information Line:

- The information that needs to be included with the claim notice
- The address, electronic mail address and/or facsimile number to which the policyholder can send claims related information
- Get questions on the claim process answered

The Declarations Page of your policy sets forth where you should report claims and claims related information. You should also review the policy's reporting requirements to be aware of how much time you have to report a claim to Travelers. The sooner Travelers is notified, the sooner we can become involved in the process and offer assistance to our policyholder. A delay in reporting may result in all or part of a matter to fall outside of the coverage provided.

The Claims Information Line should streamline the claim reporting process and allow policyholders to ask questions on what information is needed as well as other questions which will assist them in working with Travelers. While the Claims Information Line provides policyholders a valuable resource by answering questions and providing information, the line does not replace the reporting requirements contained in the Policy.

We hope this improvement to customer service is something our policyholders will find helps them understand the claim process and provides them a resource for reporting.



P.O. Box 2950  
Hartford, CT 06104-2950

11/30/2023

AIRPORT BUSINESS AND STORAGE ASSOCIATION INC

PO BOX 5764  
c/o Boulder Mountain Property Management  
HAILEY, ID 83333-5764

**RE: Risk Management PLUS+ Online® from Travelers Bond & Specialty Insurance** ([www.rmplusonline.com](http://www.rmplusonline.com))

As a Travelers Bond & Specialty Insured you receive risk management services, at no additional cost, to help protect you and your business.

Risk Management PLUS+ Online, is a robust website to assist you in the mitigation of risk relative to employment practices, directors and officers, fiduciary liability, cyber, crime, kidnap & ransom, and identity fraud exposures.

Highlights of Risk Management PLUS+ Online include:

- ☒ Thousands of articles on a variety of risk management topics
- ☒ Topical webinars and podcasts on current issues
- ☒ Checklists to assist in managing risk
- ☒ Web based training
- ☒ Model Employee Handbook, including policies and forms for downloading or printing that reduce risks in the workplace.

The following Risk Management PLUS+ Online Registration Instructions contain easy, step-by-step instructions to register for this valuable tool. For more information, call 1-888-712-7667 and ask for your Risk Management PLUS+ Online representative. It's that simple.

Thank you for choosing Travelers Bond & Specialty Insurance for your insurance needs. Travelers is a market leader in providing management liability and crime coverages that are specifically customized for your organization.

#### Instructions for Registration & Orientation to Risk Management PLUS+ Online®

##### *Registration for Site Administrators:*

The Site Administrator is the person in your organization who will oversee Risk Management PLUS+ Online for the organization. The Site Administrator is typically a person who leads human resources and/or financial functions or is responsible for legal matters pertaining to personnel. The Site Administrator may add other Site Administrators later to assist with their responsibilities. To register:

1. Go to [www.rmplusonline.com](http://www.rmplusonline.com).
2. In the Sign-In box, click **Register**.
3. Enter the password/passcode: TRVP120000
4. Fill in the Registration Information and click **Submit**.
5. Your organization is registered, and you are registered as Site Administrator.

##### *Learning to Navigate the Site:*

1. Go to [www.rmplusonline.com](http://www.rmplusonline.com). On each page, you will see a box outlined in blue that contains the instructions for use of that page.
2. If you have any questions, just click on **Contact Us** on the front page. Enter your question in the form provided, and the System Administrator will get back to you quickly with the answer.
3. You can also schedule a live walk-through of the site by sending a request for a walk-through via the contact link on the front page.

This notice provides no coverage, nor does it change any policy terms. To determine the scope of coverage and the insured's rights and duties under the policy, read the entire policy carefully. For more information about the content of this notice, the insured should contact their agent or broker. If there is any conflict between the policy and this notice, the terms of the policy prevail.

## **Idaho Insurer And Insurance Department Contact Information Notice**

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For information about this policy, contact the insurance agent or broker listed in the policy. If additional information is needed, contact Travelers at the following address:

**Travelers  
P.O. Box 2950  
Hartford, Connecticut 06104-2950**

**Or call Travelers at 800.328.2189**

If there is an issue or complaint that Travelers has not satisfactorily resolved, the Idaho Department of Insurance can be contacted at the following address:

**Idaho Insurance Department  
700 West State Street, 3<sup>rd</sup> Floor  
PO Box 83720  
Boise, Idaho 83720**

**Or call the insurance department at 800.721.3272, or 208.334.4250**

**Or visit the insurance department's website at [www.doi.idaho.gov](http://www.doi.idaho.gov)**

This notice provides no coverage, nor does it change any policy terms. To determine the scope of coverage and the insured's rights and duties under the policy, read the entire policy carefully. For more information about the content of this notice, the insured should contact their agent or broker. If there is any conflict between the policy and this notice, the terms of the policy prevail.

## **Independent Agent And Broker Compensation Notice**

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For information on how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: [www.travelers.com/w3c/legal/Producer\\_Compensation\\_Disclosure.html](http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html).

Or write or call:

**Travelers, Agency Compensation**  
**P.O. Box 2950**  
**Hartford, Connecticut 06104-2950**  
**(866) 904.8348**